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STATISTICS

OF

GAS COMPANIES

****

1978

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Prepared by Accounting Section, Finance & Accounts Division

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Olympia, Washington
98504

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ANALYSIS OF
GAS UTILITIES OPERATING IN THE STATE OF WASHINGTON, 1978

In the annual statistics of Class A gas utilities operating in the State of Washington, presented herein, there are shown financial and operating statistics, customer and plant data, together with important ratios for each of the companies. The financial data includes balance sheets, analyses of retained earnings and income statements.

OPERATING STATISTICS
STATE OF WASHINGTON

A comparison of the statistics of 1977 and 1978 reveals that Operating Revenue increased from $367,552,589 in 1977 to $372,596,182 in 1978 and Net Operating Income increased from $25,928,779 in 1977 to $26,005,316 in 1978.

DISTRIBUTION OF REVENUE
STATE OF WASHINGTON

	% 1974	% 1975	% 1976	% 1977	% 1978
Operating Expenses	72.95	75.94	79.40	80.53	80.39
Depreciation & Amortization Expense	4.45	3.70	3.18	2.79	3.04
Taxes	11.27	10.83	9.93	9.62	9.66
Operating Income	11.33	9.53	7.49	7.06	6.91
Total	100.00	100.00	100.00	100.00	100.00

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CHART I
CLASS A GAS UTILITIES-STATE OF WASHINGTON OPERATIONS
PERCENT DISTRIBUTION OF GROSS OPERATING REVENUE
1974-1978

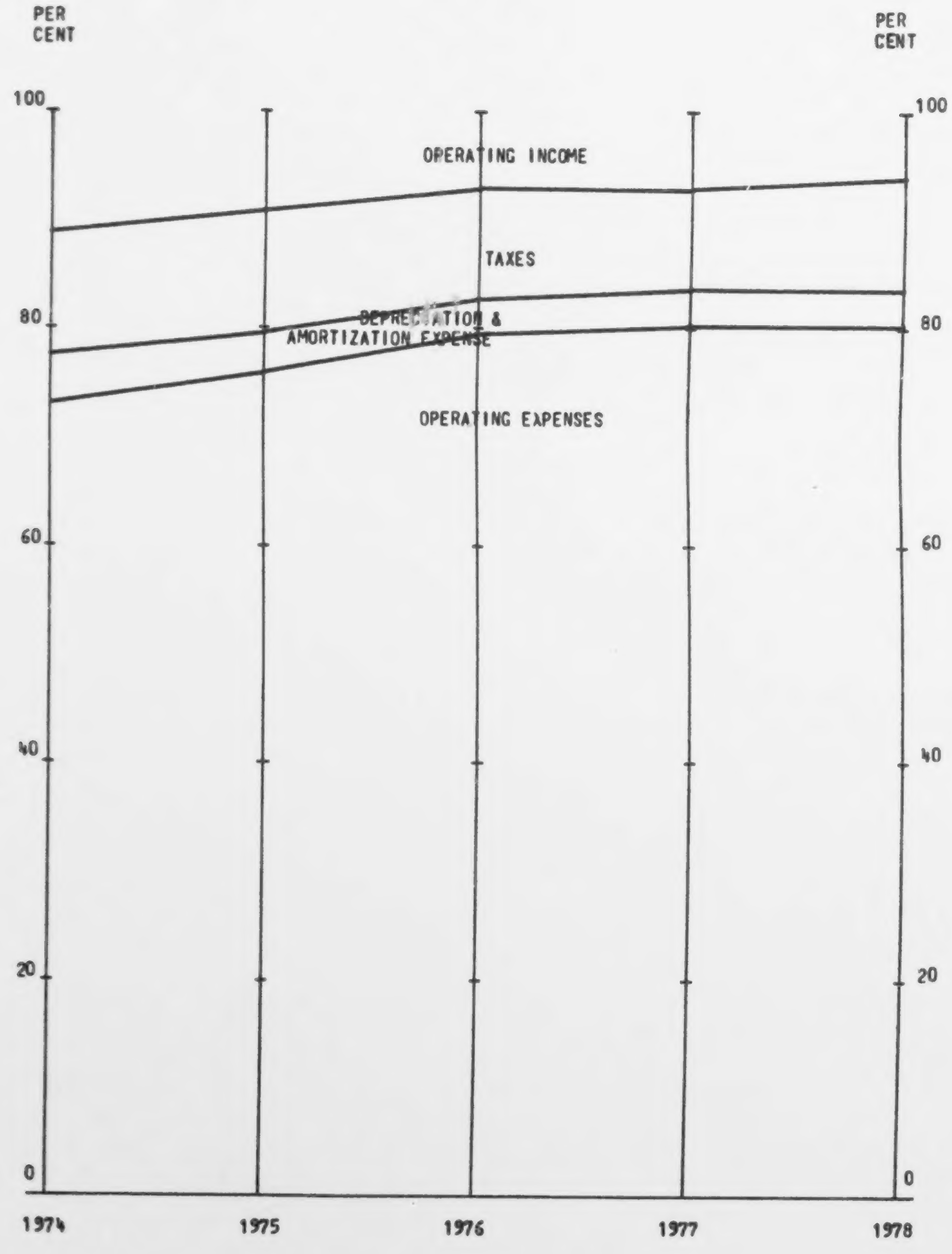

CHART II
CLASS A GAS UTILITIES-STATE OF WASHINGTON OPERATIONS
DISTRIBUTION OF GROSS OPERATING REVENUE
1973-1978

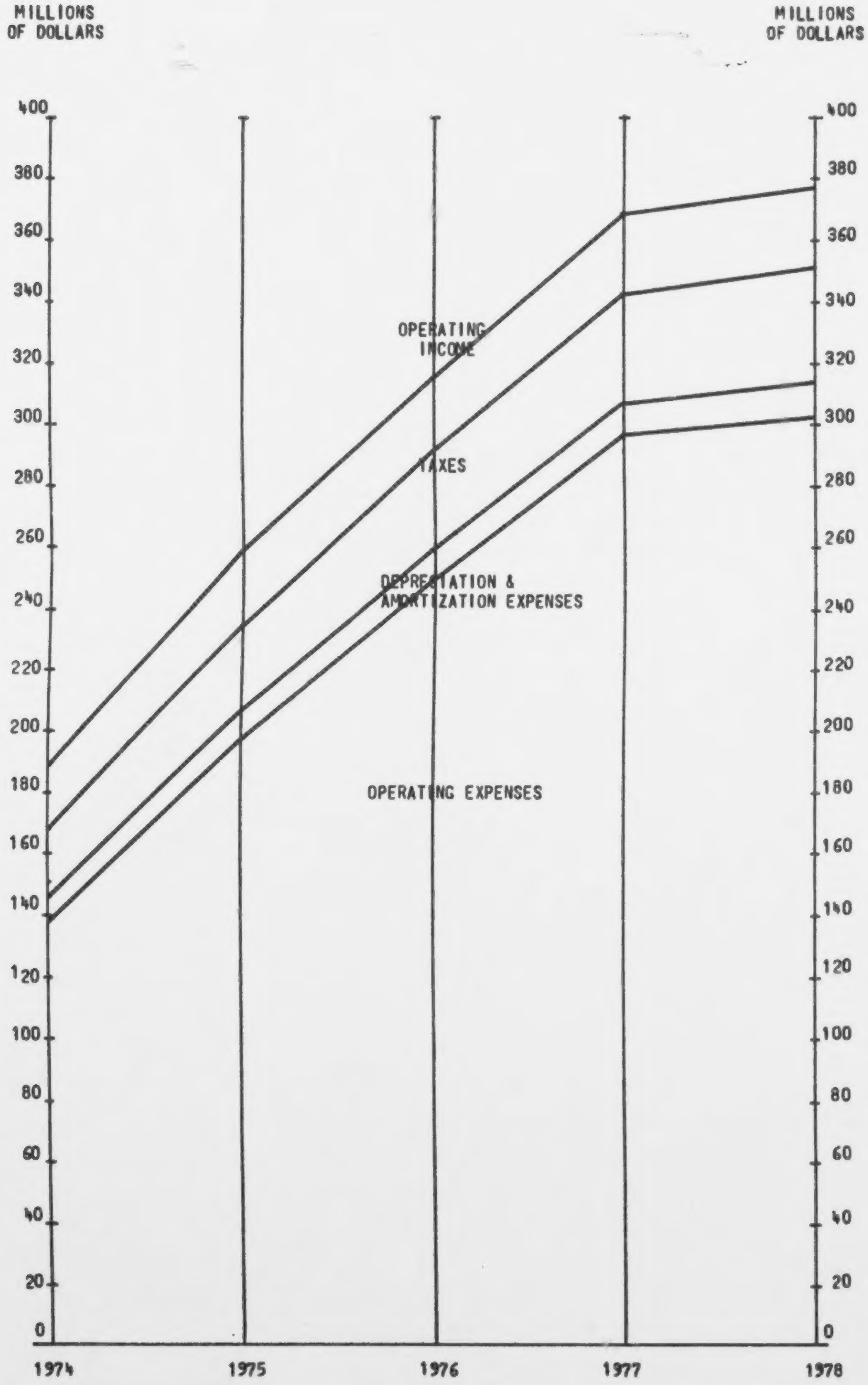

TABLE I
COMPARATIVE ANALYSIS OF GAS COMPANIES - TOTAL COMPANY OPERATIONS
1978

	AVERAGE NUMBER OF CUSTOMERS	NUMBER OF THERMS SOLD	REVENUE FROM SALES OF GAS	AVERAGE REVENUE PER THERM	PRODUCED AND PURCHASED COST	
					AMOUNT	PER THERM SOLD
NATURAL GAS COMPANIES*						
CASCADE NATURAL GAS CORPORATION	78,083	425,824,444	$115,839,968	27.20¢	$ 87,388,611	20.52¢
NORTHWEST NATURAL GAS COMPANY	214,658	833,819,101	232,764,923	27.92	167,367,821	20.07
WASHINGTON NATURAL GAS COMPANY	230,915	677,318,532	195,661,919	28.89	135,817,139	20.05
WASHINGTON WATER POWER COMPANY, THE	72,973	337,909,724	84,741,384	25.08	68,584,600	20.30
TOTAL NATURAL GAS COMPANIES	596,629	2,274,871,801	$629,008,194	27.65¢	$459,158,171	20.18¢

NOTE: ONE THERM IS EQUAL TO 100,000 B.T.U.

*INCLUDES MANUFACTURED GAS OPERATIONS

TABLE II
COMPARATIVE SALES STATISTICS FOR GAS OPERATIONS
STATE OF WASHINGTON
1977-1978

	1977	1978
GAS SERVICE REVENUES		
RESIDENTIAL SALES	$103,675,016	$111,481,401
COMMERCIAL SALES	65,556,827	94,964,679
INDUSTRIAL SALES	186,017,905	166,150,102
SALES FOR RESALE	10,720,469	-
TOTAL GAS SERVICE REVENUES	$365,970,217	$372,596,182
THERMS OF GAS SOLD		
RESIDENTIAL SALES	336,412,666	330,974,186
COMMERCIAL SALES	232,500,209	323,912,956
INDUSTRIAL SALES	894,379,811	687,852,022
SALES FOR RESALE	41,429,598	-
TOTAL THERMS OF GAS SOLD	1,504,722,284	1,342,739,164
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH		
RESIDENTIAL SALES	307,514	312,014
COMMERCIAL SALES	40,058	41,573
INDUSTRIAL SALES	1,970	1,154
SALES FOR RESALE	-	-
TOTAL GAS CUSTOMERS	349,542	354,741
AVERAGE GAS SERVICE REVENUE PER THERM OF GAS SOLD		
RESIDENTIAL SALES	30.82¢	33.68¢
COMMERCIAL SALES	28.20	29.32
INDUSTRIAL SALES	20.80	24.15
SALES FOR RESALE	25.88	-
TOTAL	24.32¢	27.75¢
AVERAGE GAS SERVICE REVENUE PER GAS CUSTOMER		
RESIDENTIAL SALES	$ 337.14	$ 357.30
COMMERCIAL SALES	1,636.55	2,284.29
INDUSTRIAL SALES	94,425.33	143,977.56
SALES FOR RESALE	-	-
TOTAL	$ 1,047.00	$ 1,050.33
AVERAGE THERMS GAS SOLD PER CUSTOMER		
RESIDENTIAL SALES	1,094	1,061
COMMERCIAL SALES	5,804	7,791
INDUSTRIAL SALES	454,000	596,059
SALES FOR RESALE	-	-
TOTAL	4,305	3,785

GAS UTILITIES - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION	NORTHWEST NATURAL GAS COMPANY
UTILITY PLANT		
UTILITY PLANT	$118,057,601	$271,550,402
CONSTRUCTION WORK IN PROGRESS	746,731	157,022
TOTAL UTILITY PLANT	118,804,332	271,707,424
LESS ACCUM. PROV. FOR DEPREC., AMORT. AND DEPLETION	32,564,256	47,799,893
NET UTILITY PLANT	86,240,076	223,907,531
GAS STORED UNDERGROUND - NONCURRENT	-	-
UTILITY PLANT ADJUSTMENTS	-	-
OTHER PROPERTY AND INVESTMENTS		
NONUTILITY PROPERTY (LESS ACCUM. PROV. FOR DEPREC. & AMORT.)	2,595	-
INVESTMENT IN ASSOCIATED COMPANIES	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	1,088,903	(102,405)
OTHER INVESTMENTS	2,744	36,978
SPECIAL FUNDS	5,500	-
TOTAL OTHER PROPERTY AND INVESTMENTS	1,099,742	(65,427)
CURRENT AND ACCRUED ASSETS		
CASH	567,609	786,171
SPECIAL DEPOSITS	462	535
WORKING FUNDS	24,775	37,537
TEMPORARY CASH INVESTMENTS	-	-
NOTES AND ACCOUNTS REC. (LESS ACCUM. PROV. FOR UNCOLL. ACCTS.)	15,301,989	26,936,870
RECEIVABLES FROM ASSOC. COMPANIES	-	130,390
MATERIALS AND SUPPLIES	883,410	2,275,448
GAS STORED UNDERGROUND - CURRENT	-	-
LIQUEFIED NATURAL GAS STORED	556,573	3,752,705
PREPAYMENTS	392,585	152,571
ADVANCES FOR GAS EXPLORATION, DEVELOPMENT AND PRODUCTION	-	-
OTHER ADVANCES FOR GAS	-	-
INTEREST AND DIVIDENDS RECEIVABLE	-	-
RENTS RECEIVABLE	-	-
ACCRUED UTILITY REVENUES	3,736,077	-
MISC. CURRENT AND ACCRUED ASSETS	-	-
TOTAL CURRENT AND ACCRUED ASSETS	21,463,480	34,072,227
DEFERRED DEBITS		
UNAMORTIZED DEBT EXPENSE	953,600	887,145
EXTRAORDINARY PROPERTY LOSSES	26,150	1,041,685
PRELIM. SURVEY AND INVESTIGATION CHARGES	3,035	-
CLEARING ACCOUNTS	14,045	(48,276)
TEMPORARY FACILITIES	-	-
MISCELLANEOUS DEFERRED DEBITS	134,351	6,493,841
DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-
RESEARCH, DEVELOPMENT & DEMONSTRATION EXPENDITURES	-	-
UNAMORTIZED LOSS ON REACQUIRED DEBT	-	-
ACCUMULATED DEFERRED INCOME TAXES	-	-
UNRECOVERED PURCHASED GAS COSTS	-	-
TOTAL DEFERRED DEBITS	1,131,181	8,374,395
TOTAL ASSETS AND OTHER DEBITS	$109,934,479	$266,288,726

GAS UTILITIES - TOTAL COMPANY OPERATIONS
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION	NORTHWEST NATURAL GAS COMPANY
PROPRIETARY CAPITAL		
COMMON STOCK ISSUED	$ 2,351,554	$ 21,925,188
PREFERRED STOCK ISSUED	9,933,912	28,358,500
CAPITAL STOCK SUBSCRIBED	-	-
STOCK LIABILITY FOR CONVERSION	-	-
PREMIUM ON CAPITAL STOCK	17,037,840	24,315,993
OTHER PAID-IN CAPITAL	578,765	489,766
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	7,545
DISCOUNT ON CAPITAL STOCK	-	-
CAPITAL STOCK EXPENSE	(677,373)	-
RETAINED EARNINGS	6,847,285	36,200,753
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	315,254	-
REACQUIRED CAPITAL STOCK	-	-
TOTAL PROPRIETARY CAPITAL	36,387,237	111,297,745
LONG-TERM DEBT		
BONDS	33,721,500	92,662,000
ADVANCES FROM ASSOCIATED COMPANIES	-	-
OTHER LONG-TERM DEBT	20,806,000	8,437,000
UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-	-
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT - DR.	-	-
TOTAL LONG-TERM DEBT	54,527,500	101,099,000
CURRENT AND ACCRUED LIABILITIES		
NOTES PAYABLE	11,793,632	11,000,000
ACCOUNTS PAYABLE	-	24,435,105
PAYABLES TO ASSOCIATED COMPANIES	-	-
CUSTOMER DEPOSITS	415,882	534,725
TAXES ACCRUED	2,824,983	4,228,090
INTEREST ACCRUED	659,765	2,350,155
DIVIDENDS DECLARED	754,623	-
MATURED LONG-TERM DEBT	-	-
MATURED INTEREST	-	-
TAX COLLECTIONS PAYABLE	17,383	116,584
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	247,777	247,949
TOTAL CURRENT AND ACCRUED LIABILITIES	16,714,045	42,912,608
DEFERRED CREDITS		
CUSTOMER ADVANCES FOR CONSTRUCTION	112,606	31,665
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	2,130,600	7,077,437
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-
OTHER DEFERRED CREDITS	62,491	-
UNAMORTIZED GAIN ON REACQUIRED DEBT	-	-
ACCUMULATED DEFERRED INCOME TAXES	-	3,629,097
TOTAL DEFERRED CREDITS	2,305,697	10,738,199
OPERATING RESERVES		
OPERATING RESERVES	-	241,174
TOTAL LIABILITIES AND OTHER CREDITS	$109,934,479	$266,288,726

GAS UTILITIES - TOTAL COMPANY OPERATIONS
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION	NORTHWEST NATURAL GAS COMPANY
UTILITY OPERATING INCOME		
OPERATING REVENUES	$116,333,699	$235,716,662
OPERATING EXPENSES:		
OPERATION EXPENSES	95,854,238	184,133,077
MAINTENANCE EXPENSES	936,072	2,881,297
DEPRECIATION EXPENSE	3,712,257	8,712,173
AMORT. AND DEPL. OF UTILITY PLANT	-	-
AMORT. OF UTILITY PLANT ACQ. ADJ.	-	462,972
AMORT. OF PROPERTY LOSSES	6,537	325,295
AMORT. OF CONVERSION EXPENSES	-	-
TAXES OTHER THAN INCOME TAXES	7,244,784	9,363,566
INCOME TAXES - FEDERAL	1,153,627	5,102,428
- OTHER	50,420	1,176,419
PROVISION FOR DEFERRED INCOME TAXES	-	3,209,263
PROVISION FOR DEFERRED INCOME TAXES - CR.	-	(2,392,294)
INVESTMENT TAX CREDIT ADJ. - NET	413,900	1,408,579
GAINS FROM DISP. OF UTILITY PLANT	-	-
LOSSES FROM DISP. OF UTILITY PLANT	-	-
TOTAL UTILITY OPERATING EXPENSES	109,371,835	214,382,775
NET UTILITY OPERATING INCOME	6,961,864	21,333,887
OTHER INCOME AND DEDUCTIONS		
OTHER INCOME:		
NONUTILITY OPERATING INCOME	-	(118,675)
EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	(2,879)	(103,405)
INTEREST AND DIVIDEND INCOME	150,316	209,555
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	51,079	-
MISCELLANEOUS NONOPERATING INCOME	26,534	313,545
GAIN ON DISPOSITION OF PROPERTY	48,436	228,563
TOTAL OTHER INCOME	273,486	529,583
OTHER INCOME DEDUCTIONS:		
LOSS ON DISPOSITION OF PROPERTY	637	-
MISCELLANEOUS AMORTIZATION	-	-
MISCELLANEOUS INCOME DEDUCTIONS	22,838	262,077
TOTAL OTHER INCOME DEDUCTIONS	23,475	262,077
TAXES APPLIC. TO OTHER INCOME AND DEDUCTIONS:		
TAXES OTHER THAN INCOME TAXES	117,053	-
INCOME TAXES - FEDERAL	-	(167,394)
- OTHER	-	(26,754)
PROVISION FOR DEFERRED INC. TAXES	-	-
PROVISION FOR DEFERRED INC. TAXES - CR.	-	-
INVESTMENT TAX CREDIT ADJ. - NET	-	-
INVESTMENT TAX CREDITS	-	-
TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	117,053	(194,148)
NET OTHER INCOME AND DEDUCTIONS	132,958	461,654

GAS UTILITIES - TOTAL COMPANY OPERATIONS (CONTINUED)
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION	NORTHWEST NATURAL GAS COMPANY
INTEREST CHARGES		
INTEREST ON LONG-TERM DEBT	4,577,063	9,015,355
AMORT. OF DEBT DISC. AND EXPENSE	165,212	125,746
AMORTIZATION OF LOSS ON REACQUIRED DEBT	-	-
AMORT. OF PREMIUM ON DEBT - CREDIT	-	-
AMORTIZATION OF GAIN ON REACQUIRED DEBT - CREDIT	-	-
INTEREST ON DEBT TO ASSOC. COMPANIES	-	-
OTHER INTEREST EXPENSE	38,614	260,888
NET INTEREST CHARGES	4,780,889	9,401,989
INCOME BEFORE EXTRAORDINARY ITEMS	2,313,933	12,393,552
EXTRAORDINARY ITEMS		
NET EXTRAORDINARY ITEMS	-	-
INCOME TAXES - FEDERAL AND OTHER	-	-
EXTRAORDINARY ITEMS AFTER TAXES	-	-
NET INCOME	$ 2,313,933	$ 12,393,552

GAS UTILITIES - TOTAL COMPANY OPERATIONS
STATEMENTS OF UNAPPROPRIATED RETAINED EARNINGS, AND UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS
DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION	NORTHWEST NATURAL GAS COMPANY
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS		
BALANCE AT BEGINNING OF YEAR	$ 7,486,901	$ 32,630,258
CREDITS:		
BALANCE TRANSFERRED FROM INCOME	2,316,811	12,393,552
MISCELLANEOUS CREDITS	-	-
TOTAL CREDITS	2,316,811	12,393,552
DEBITS:		
APPROPRIATIONS OF RETAINED EARNINGS	-	-
DIVIDENDS DECLARED - COMMON STOCK	2,283,653	6,304,260
DIVIDENDS DECLARED - PREFERRED STOCK	672,774	1,963,264
MISCELLANEOUS DEBITS	-	555,533
TOTAL DEBITS	2,956,427	8,823,057
BALANCE AT END OF YEAR	$ 6,847,285	$ 36,200,753
STATEMENT OF UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS		
BALANCE AT BEGINNING OF YEAR	$ 318,132	$ -
EQUITY IN EARNINGS FOR YEAR	(2,878)	-
DIVIDENDS RECEIVED	-	-
OTHER CHANGES	-	-
BALANCE AT END OF YEAR	$ 315,254	$ -

GAS UTILITIES - STATE OF WASHINGTON AND TOTAL COMPANY OPERATIONS
STATEMENT OF NET GAS OPERATING INCOME AND OPERATING GAS REVENUES BY PERCENT
FOR THE YEAR ENDED DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION		NORTHWEST NATURAL GAS COMPANY	
	STATE OF WASHINGTON	TOTAL COMPANY	STATE OF WASHINGTON	TOTAL COMPANY
STATEMENT OF NET GAS OPERATING INCOME				
OPERATING REVENUES				
RESIDENTIAL SALES	$ 16,955,996	$ 21,667,229	$ 1,597,713	$ 64,191,766
COMMERCIAL SALES	23,557,919	29,349,982	1,824,617	37,096,861
INDUSTRIAL SALES	58,271,255	64,822,757	18,475,358	181,476,296
OTHER SALES	-	-	-	-
OTHER GAS REVENUES	293,285	493,731	1,108,996	2,951,739
TOTAL OPERATING REVENUES	99,078,455	116,333,699	23,006,684	235,716,662
OPERATING EXPENSES				
PRODUCTION:				
MANUFACTURED GAS	22,704	27,014	-	37,989
NATURAL GAS	75,409,027	87,361,597	17,495,316	167,329,832
UNDERGROUND STORAGE	-	-	-	-
OTHER STORAGE	-	-	-	297,793
TRANSMISSION	-	-	4,475	72,174
DISTRIBUTION	2,363,322	3,169,888	454,821	7,335,826
CUSTOMER ACCOUNTS	1,290,639	1,665,518	149,357	5,150,238
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	137,724	161,916	-	-
SALES	411,478	508,095	88,900	945,745
ADMINISTRATIVE AND GENERAL	3,057,435	3,896,282	529,453	5,632,479
WEATHERIZATION	-	-	-	212,298
TOTAL OPERATION AND MAINTENANCE EXPENSES	82,692,329	96,790,310	18,722,322	187,014,374
DEPRECIATION	3,031,433	3,712,257	365,939	8,712,173
AMORTIZATION	-	6,537	48,149	788,267
TAXES OTHER THAN INCOME TAXES	6,529,607	7,244,784	1,225,136	10,676,287
INCOME TAXES - FEDERAL	862,206	1,153,627	537,828	5,783,095
- OTHER	-	50,420	-	-
PROV. FOR DEFERRED INCOME TAXES	-	-	-	-
INCOME TAXES DEFERRED IN PRIOR YEARS (CR)	-	-	-	-
INVESTMENT TAX CREDIT ADJ. - NET	309,343	413,900	130,998	1,408,579
GAINS OR LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-
TOTAL OPERATING EXPENSES	93,424,918	109,371,835	21,030,372	214,382,775
NET GAS OPERATING INCOME	$ 5,653,537	$ 6,961,864	$ 1,976,312	$ 21,333,887
OPERATING GAS REVENUES BY PERCENT				
RESIDENTIAL SALES	17.11%	18.63%	6.94%	27.23%
COMMERCIAL SALES	23.78	25.23	7.93	15.74
INDUSTRIAL SALES	58.81	55.72	80.31	55.78
OTHER SALES	-	-	-	-
OTHER GAS REVENUES	0.30	0.42	4.82	1.25
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%

GAS UTILITIES - TOTAL COMPANY OPERATIONS
STATEMENT OF CHANGES IN FINANCIAL POSITION
DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION	NORTHWEST NATURAL GAS COMPANY
SOURCES OF FUNDS		
FUNDS FROM OPERATIONS		
NET INCOME	$ 2,313,933	$ 12,393,552
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME:		
DEPRECIATION AND DEPLETION	3,712,257	8,712,173
AMORTIZATION	171,749	788,267
PROV. FOR DEFERRED OR FUTURE INCOME TAXES (NET)	-	816,969
INVESTMENT TAX CREDIT ADJUSTMENTS	413,900	1,261,597
OTHER (NET)	(690,731)	332,375
TOTAL FUNDS FROM OPERATIONS	5,921,108	24,304,933
FUNDS FROM OUTSIDE SOURCES (NEW MONEY)		
LONG-TERM DEBT	1,600,000	-
PREFERRED STOCK	-	11,000,000
COMMON STOCK	1,063,259	1,233,541
NET INCREASE IN SHORT-TERM DEBT	-	(5,300,000)
OTHER (NET)	1,798,932	-
TOTAL FUNDS FROM OUTSIDE SOURCES	4,462,191	6,933,541
SALE OF NON-CURRENT ASSETS	994	942,445
CONTRIBUTIONS FROM ASSOCIATED AND SUBSIDIARY COMPANIES	-	-
OTHER (NET)	1,807,422	2,722,887
TOTAL SOURCES OF FUNDS	$ 12,191,715	$ 34,903,806
APPLICATION OF FUNDS		
CONSTRUCTION AND PLANT EXPENDITURES (INCLUDING LAND)		
GROSS ADDITIONS TO UTILITY PLANT (LESS NUCLEAR FUEL)	$ 5,067,629	$ 18,868,465
GROSS ADDITIONS TO NUCLEAR FUEL	-	-
GROSS ADDITIONS TO COMMON UTILITY PLANT	-	-
GROSS ADDITIONS TO NONUTILITY PLANT	-	(55,596)
OTHER	-	-
TOTAL APPLICATIONS TO CONSTRUCTION & PLANT EXPEND. (INCLUDING LAND)	5,067,629	18,812,869
DIVIDENDS ON PREFERRED STOCK	672,774	1,963,264
DIVIDENDS ON COMMON STOCK	2,283,653	6,304,260
FUNDS FOR RETIREMENT OF SECURITIES AND SHORT-TERM DEBT:		
LONG-TERM DEBT	3,715,500	2,824,000
PREFERRED STOCK	208,706	780,000
REDEMPTION OF CAPITAL STOCK	-	-
NET DECREASE IN SHORT-TERM DEBT	-	-
OTHER (NET)	-	-
PURCHASE OF OTHER NON-CURRENT ASSETS	-	423,321
INVESTMENTS IN AND ADVANCES TO ASSOCIATED AND SUBSIDIARY COMPANIES	-	-
OTHER (NET)	243,453	3,796,092
TOTAL APPLICATION OF FUNDS	$ 12,191,715	$ 34,903,806

GAS UTILITIES - STATE OF WASHINGTON AND TOTAL COMPANY OPERATIONS
PLANT, PRODUCTION AND SALES STATISTICS
FOR AND AT THE YEAR ENDED DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION		NORTHWEST NATURAL GAS COMPANY	
	STATE OF WASHINGTON	TOTAL COMPANY	STATE OF WASHINGTON	TOTAL COMPANY
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE-END OF YEAR				
INTANGIBLE PLANT	$ 138,158	$ 363,891	$ 447	$ 39,384
PRODUCTION AND STROAGE PLANT	-	1,555,917	-	21,309,264
TRANSMISSION AND DISTRIBUTION PLANT	83,141,906	108,183,472	10,495,298	229,506,006
GENERAL PLANT	4,872,977	7,954,322	65,290	19,735,708
TOTAL GAS PLANT IN SERVICE	88,153,041	118,057,602	10,561,035	270,590,362
PROPERTY HELD FOR FUTURE USE	-	-	-	-
LESS: ACCUM. PROVISION FOR DEPREC. & AMORT. - GAS	24,055,398	32,564,256	1,879,867	47,799,893
NET GAS PLANT	$ 64,097,643	$ 85,493,346	$ 8,681,168	$222,790,469
CONSTRUCTION WORK IN PROGRESS	$ 629,090	$ 746,731	$ 9,990	$ 157,022
ANNUAL GAS PRODUCTION AND SALES (THERMS)				
GAS PRODUCED	1,436	1,676	-	-
GAS PURCHASED	368,470,809	425,827,140	89,092,235	862,909,513
TOTAL GAS PRODUCED AND PURCHASED	368,472,245	425,828,816	89,092,235	862,909,513
GAS USED BY COMPANY	152,335	193,953	20,446	2,482,262
GAS SOLD	366,530,270	425,824,444	87,348,100	833,733,481
GAS UNACCOUNTED FOR	3,570,035	2,208,908	1,723,689	20,521,955
GAS DELIVERED TO (FROM) STORAGE	(1,780,395)	(2,398,489)	-	6,171,815
UNACCOUNTED FOR TO TOTAL PRODUCED AND PURCHASED (%)	0.97%	0.52%	1.93%	2.38%
PERCENT DEPRECIATION & AMORTIZATION TO TOTAL GAS PLANT IN SERVICE	3.44%	3.14%	3.92%	3.51%
PERCENT NET GAS UTILITY OPERATING INCOME TO NET GAS PLANT	8.82%	8.14%	22.77%	9.58%
TRANSMISSION AND DISTRIBUTION MAINS - FEET (END OF YEAR)	10,959,357	13,805,666	1,945,722	38,148,288
NUMBER OF METERS IN SERVICE AND HELD IN RESERVE (AVERAGE)	75,051.5	95,126.5	6,933	242,169.5
NUMBER OF CUSTOMERS - AVERAGE	61,103	78,083	6,264	214,658
AVERAGE B.T.U. CONTENT PER CU. FT.	1,046	1,046	1,045	1,045

GAS UTILITIES - STATE OF WASHINGTON AND TOTAL COMPANY OPERATIONS
SALES STATISTICS FOR GAS OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1978

	CASCADE NATURAL GAS CORPORATION		NORTHWEST NATURAL GAS COMPANY	
	STATE OF WASHINGTON	TOTAL COMPANY	STATE OF WASHINGTON	TOTAL COMPANY
GAS SERVICE REVENUES				
RESIDENTIAL SALES	$ 16,955,996	$ 21,667,229	$ 1,597,713	$ 64,191,766
COMMERCIAL SALES	23,557,919	29,349,982	1,824,617	37,096,861
INDUSTRIAL SALES	58,271,255	64,822,757	18,475,358	131,476,296
SALES FOR RESALE	-	-	-	-
TOTAL GAS SERVICE REVENUES	$ 98,785,170	$115,839,968	$ 21,897,688	$232,764,923
THERMS OF GAS SOLD				
RESIDENTIAL SALES	48,808,701	62,317,268	4,444,914	174,548,866
COMMERCIAL SALES	78,915,458	98,628,779	5,769,648	112,639,217
INDUSTRIAL SALES	238,806,111	264,878,397	77,133,538	546,631,018
SALES FOR RESALE	-	-	-	-
TOTAL THERMS OF GAS SOLD	366,530,270	425,824,444	87,348,100	833,819,101
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH				
RESIDENTIAL SALES	50,406	64,387	5,295	189,983
COMMERCIAL SALES	10,466	13,418	920	24,075
INDUSTRIAL SALES	231	278	49	600
SALES FOR RESALE	-	-	-	-
TOTAL GAS CUSTOMERS	61,103	78,083	6,264	214,658
AVERAGE GAS SERVICE REVENUE PER THERM OF GAS SOLD				
RESIDENTIAL SALES	34.74¢	34.77¢	35.94¢	36.78¢
COMMERCIAL SALES	29.85	29.76	31.62	32.93
INDUSTRIAL SALES	24.40	24.47	23.95	24.05
SALES FOR RESALE	-	-	-	-
TOTAL	26.95¢	27.20¢	25.07¢	27.92¢
AVERAGE GAS SERVICE REVENUE PER GAS CUSTOMER				
RESIDENTIAL SALES	$ 336.39	$ 336.52	$ 301.74	$ 337.88
COMMERCIAL SALES	2,250.90	2,187.36	1,983.28	1,540.89
INDUSTRIAL SALES	252,256.52	233,175.38	377,048.12	219,127.16
SALES FOR RESALE	-	-	-	-
TOTAL	$ 1,616.70	$ 1,483.55	$ 3,495.80	$ 1,084.35
AVERAGE THERMS GAS SOLD PER CUSTOMER				
RESIDENTIAL SALES	968	968	839	919
COMMERCIAL SALES	7,540	7,350	6,271	4,679
INDUSTRIAL SALES	1,033,793	952,800	1,574,154	911,052
SALES FOR RESALE	-	-	-	-
TOTAL	5,999	5,453	13,944	3,884

GAS UTILITIES - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY	TOTAL GAS UTILITIES
UTILITY PLANT			
UTILITY PLANT	$228,815,697	$588,179,375	$1,206,603,075
CONSTRUCTION WORK IN PROGRESS	3,872,422	57,574,089	62,350,264
TOTAL UTILITY PLANT	232,688,119	645,753,464	1,268,953,339
LESS: ACCUM. PROV. FOR DEPREC., AMORT., AND DEPLETION	48,291,454	119,240,316	247,895,919
NET UTILITY PLANT	184,396,665	526,513,148	1,021,057,420
GAS STORED UNDERGROUND, NONCURRENT	2,741,291	-	2,741,291
UTILITY PLANT ADJUSTMENTS	-	-	-
OTHER PROPERTY AND INVESTMENTS			
NONUTILITY PROPERTY (LESS ACCUM. PROV. FOR DEPREC. AND AMORT.)	-	75,547	78,142
INVESTMENT IN ASSOCIATED COMPANIES	-	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	-	23,423,254	24,409,752
OTHER INVESTMENTS	-	541,582	581,304
SPECIAL FUNDS	-	5,000	10,500
TOTAL OTHER PROPERTY AND INVESTMENTS	-	24,045,383	25,079,698
CURRENT AND ACCRUED ASSETS			
CASH	3,842,251	266,558	5,462,589
SPECIAL DEPOSITS	-	130	1,127
WORKING FUNDS	25,435	97,826	185,573
TEMPORARY CASH INVESTMENTS	-	-	-
NOTES AND ACCOUNTS REC. (LESS ACCUM. PROV. FOR UNCOLL. ACCTS.)	27,542,743	18,411,566	88,193,168
RECEIVABLES FROM ASSOC. COMPANIES	10,857,172	-	10,987,562
MATERIALS AND SUPPLIES	2,952,770	7,028,151	13,139,779
GAS STORED UNDERGROUND - CURRENT	-	212,633	212,633
LIQUEFIED NATURAL GAS STORED	192,715	-	4,501,993
PREPAYMENTS	267,883	441,593	1,254,632
ADVANCES FOR GAS EXPLORATION, DEVELOPMENT AND PRODUCTION	-	-	-
OTHER ADVANCES FOR GAS	-	-	-
INTEREST AND DIVIDENDS RECEIVABLE	-	7,527	7,527
RENTS RECEIVABLE	-	35,116	35,116
ACCRUED UTILITY REVENUES	-	-	3,736,077
MISC. CURRENT AND ACCRUED ASSETS	-	37,794	37,794
TOTAL CURRENT AND ACCRUED ASSETS	45,680,969	26,538,894	127,755,570
DEFERRED DEBITS			
UNAMORTIZED DEBT EXPENSE	999,420	1,894,785	4,734,950
EXTRAORDINARY PROPERTY LOSSES	-	-	1,067,835
PRELIM. SURVEY AND INVESTIGATION CHARGES	6,613	769,462	779,110
CLEARING ACCOUNTS	258,234	254,997	479,000
TEMPORARY FACILITIES	-	-	-
MISCELLANEOUS DEFERRED DEBITS	676,017	1,259,223	8,563,432
DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-
RESEARCH, DEVELOPMENT & DEMONSTRATION EXPENDITURES	-	241	241
UNAMORTIZED LOSS ON REACQUIRED DEBT	-	-	-
ACCUMULATED DEFERRED INCOME TAXES	2,008,833	-	2,008,833
UNRECOVERED PURCHASED GAS COSTS	10,453,000	-	10,453,000
TOTAL DEFERRED DEBITS	14,402,117	4,178,708	28,086,401
TOTAL ASSETS AND OTHER DEBITS	$247,221,042	$581,276,133	$1,204,720,380

GAS UTILITIES - TOTAL COMPANY OPERATIONS
BALANCE SHEET - ~~ASSETS AND OTHER DEBITS~~
DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY	TOTAL GAS UTILITIES
PROPRIETARY CAPITAL			
COMMON STOCK ISSUED	$ 16,632,470	$158,834,373	$ 199,743,585
PREFERRED STOCK ISSUED	12,100,000	25,000,000	75,392,412
CAPITAL STOCK SUBSCRIBED	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-
PREMIUM ON CAPITAL STOCK	13,141,353	-	54,495,186
OTHER PAID-IN CAPITAL	838,978	-	1,907,509
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	65,651	73,196
DISCOUNT ON CAPITAL STOCK	-	-	-
CAPITAL STOCK EXPENSE	(404,181)	(441,156)	(1,522,710)
RETAINED EARNINGS	27,934,578	47,935,651	118,918,267
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	7,559,253	7,874,507
REACQUIRED CAPITAL STOCK	(45,500)	-	(45,500)
TOTAL PROPRIETARY CAPITAL	70,197,698	238,953,772	456,836,452
LONG-TERM DEBT			
BONDS	94,722,000	279,558,000	500,663,500
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-
OTHER LONG-TERM DEBT	2,700,000	15,000,000	46,943,000
UNAMORTIZED PREMIUM ON LONG-TERM DEBT	-	804,690	804,690
UNAMORTIZED DISCOUNT ON LONG-TERM DEBT - DR.	-	-	-
TOTAL LONG-TERM DEBT	97,422,000	295,362,690	548,411,190
CURRENT AND ACCRUED LIABILITIES			
NOTES PAYABLE	24,000,000	-	46,793,632
ACCOUNTS PAYABLE	20,129,181	13,601,190	58,165,476
PAYABLES TO ASSOCIATED COMPANIES	1,636,387	325,821	1,962,208
CUSTOMER DEPOSITS	1,215,794	76,048	2,242,449
TAXES ACCRUED	6,832,106	14,902,177	28,787,356
INTEREST ACCRUED	2,538,806	4,006,971	9,555,697
DIVIDENDS DECLARED	-	-	754,623
MATURED LONG-TERM DEBT	-	-	-
MATURED INTEREST	-	-	-
TAX COLLECTIONS PAYABLE	236,971	29,068	400,006
MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES	271,162	2,587,595	3,354,483
TOTAL CURRENT AND ACCRUED LIABILITIES	56,860,407	35,528,870	152,015,930
DEFERRED CREDITS			
CUSTOMER ADVANCES FOR CONSTRUCTION	132,131	384,802	661,204
ACCUMULATED DEFERRED INVESTMENT TAX CREDITS	4,936,089	9,176,523	23,320,649
DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-
OTHER DEFERRED CREDITS	1,486,483	1,869,476	3,418,450
UNAMORTIZED GAIN ON REACQUIRED DEBT	-	-	-
ACCUMULATED DEFERRED INCOME TAXES	11,995,457	-	15,624,554
TOTAL DEFERRED CREDITS	18,550,160	11,430,801	43,024,857
OPERATING RESERVES			
OPERATING RESERVES	4,190,777	-	4,431,951
TOTAL LIABILITIES AND OTHER CREDITS	$247,221,042	$581,276,133	$1,204,720,380

GAS UTILITIES - TOTAL COMPANY OPERATIONS
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY	TOTAL GAS UTILITIES
UTILITY OPERATING INCOME			
OPERATING REVENUES	$197,983,944	$206,685,285	$756,719,590
OPERATING EXPENSES:			
OPERATION EXPENSES	151,753,476	124,282,855	556,023,646
MAINTENANCE EXPENSES	2,225,521	7,365,099	13,407,989
DEPRECIATION EXPENSE	6,629,972	11,292,368	30,346,770
AMORT. & DEPL. OF UTILITY PLANT	-	4,197	4,197
AMORT. OF UTILITY PLANT ACQ. ADJ.	-	-	462,972
AMORT. OF PROPERTY LOSSES	-	-	331,832
AMORT. OF CONVERSION EXPENSES	-	-	-
TAXES OTHER THAN INCOME TAXES	18,667,014	14,442,887	49,718,251
INCOME TAXES - FEDERAL	140,229	5,997,374	12,393,658
- OTHER	-	417,973	1,644,812
PROVISION FOR DEFERRED INCOME TAXES	2,817,927	-	6,027,190
PROVISION FOR DEFERRED INCOME TAXES - CR.	-	-	(2,392,294)
INVESTMENT TAX CREDIT ADJ. - NET	1,029,599	3,624,599	6,476,677
GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-
LOSSES FROM DISP. OF UTILITY PLANT	-	-	-
TOTAL UTILITY OPERATING EXPENSES	183,263,738	167,427,352	674,445,700
NET UTILITY OPERATING INCOME	14,720,206	39,257,933	82,273,890
OTHER INCOME AND DEDUCTIONS			
OTHER INCOME:			
NONUTILITY OPERATING INCOME	1,032,118	5,301	918,744
EQUITY IN EARNINGS OF SUBSIDIARY COMPANIES	50,213	3,288,970	3,232,899
INTEREST AND DIVIDEND INCOME	81,510	116,828	558,209
ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION	123,500	1,680,097	1,854,676
MISCELLANEOUS NONOPERATING INCOME	67,262	1,200,651	1,607,992
GAIN ON DISPOSITION OF PROPERTY	5,476	94,088	376,563
TOTAL OTHER INCOME	1,360,079	6,385,935	8,549,083
OTHER INCOME DEDUCTIONS:			
LOSS ON DISPOSITION OF PROPERTY	-	4,901	5,538
MISCELLANEOUS AMORTIZATION	31,704	-	31,704
MISCELLANEOUS INCOME DEDUCTIONS	114,971	704,214	1,104,100
TOTAL OTHER INCOME DEDUCTIONS	146,675	709,115	1,141,342
TAXES APPLIC. TO OTHER INCOME AND DEDUCTIONS:			
TAXES OTHER THAN INCOME TAXES	41,260	-	158,313
INCOME TAXES - FEDERAL	446,091	342,884	621,581
- OTHER	-	13,328	(13,426)
PROVISION FOR DEFERRED INC. TAXES	-	-	-
PROVISION FOR DEFERRED INC. TAXES - CR	-	-	-
INVESTMENT TAX CREDIT ADJ. - NET	-	-	-
INVESTMENT TAX CREDITS	-	-	-
TOTAL TAXES ON OTHER INCOME AND DEDUCTIONS	487,351	356,212	766,468
NET OTHER INCOME AND DEDUCTIONS	726,053	5,320,608	6,641,273

GAS UTILITIES - TOTAL COMPANY OPERATIONS (CONTINUED)
STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY	TOTAL GAS UTILITIES
INTEREST CHARGES			
INTEREST ON LONG-TERM DEBT	8,176,609	18,913,337	40,682,364
AMORT. OF DEBT DISC. AND EXPENSE	123,964	129,530	544,452
AMORTIZATION OF LOSS ON REACQUIRED DEBT	-	-	-
AMORT. OF PREMIUM ON DEBT - CREDIT	-	(50,471)	(50,471)
AMORTIZATION OF GAIN ON REACQUIRED DEBT - CREDIT	-	-	-
INTEREST ON DEBT TO ASSOC. COMPANIES	-	27,652	27,652
OTHER INTEREST EXPENSE	1,075,165	(2,148,974)	(774,307)
NET INTEREST CHARGES	9,375,738	16,871,074	40,429,690
INCOME BEFORE EXTRAORDINARY ITEMS	6,070,521	27,707,467	48,485,473
EXTRAORDINARY ITEMS			
NET EXTRAORDINARY ITEMS	-	-	-
INCOME TAXES - FEDERAL AND OTHER	-	-	-
EXTRAORDINARY ITEMS AFTER TAXES	-	-	-
NET INCOME	$ 6,070,521	$ 27,707,467	$ 48,485,473

GAS UTILITIES - TOTAL COMPANY OPERATIONS
STATEMENTS OF UNAPPROPRIATED RETAINED EARNINGS, AND UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS
DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY	TOTAL GAS UTILITIES
STATEMENT OF UNAPPROPRIATED RETAINED EARNINGS			
BALANCE AT BEGINNING OF YEAR	$ 27,061,565	$ 35,605,901	$102,784,625
CREDITS:			
BALANCE TRANSFERRED FROM INCOME	6,070,521	24,418,497	45,199,381
MISCELLANEOUS CREDITS	-	3,133,540	3,133,540
TOTAL CREDITS	6,070,521	27,552,037	48,332,921
DEBITS:			
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-
DIVIDEND DECLARED - COMMON STOCK	4,377,381	15,984,294	28,949,588
DIVIDEND DECLARED - PREFERRED STOCK	820,127	1,406,250	4,862,415
MISCELLANEOUS DEBITS	-	-	555,533
TOTAL DEBITS	5,197,508	17,390,544	34,367,536
BALANCE AT END OF YEAR	$ 27,934,578	$ 45,767,394	$116,750,010
STATEMENT OF UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS			
BALANCE AT BEGINNING OF YEAR	$ -	$ 6,861,783	$ 7,179,915
EQUITY IN EARNINGS FOR YEAR	-	3,288,970	3,286,092
DIVIDENDS DECLARED	-	2,591,500	2,591,500
OTHER CHANGES	-	-	-
BALANCE AT END OF YEAR	$ -	$ 7,559,253	$ 7,874,507

GAS UTILITIES - STATE OF WASHINGTON AND TOTAL COMPANY OPERATIONS
STATEMENT OF NET GAS OPERATING INCOME AND OPERATING GAS REVENUES BY PERCENT
FOR THE YEAR ENDED DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY		TOTAL GAS UTILITIES	
		STATE OF WASHINGTON	TOTAL COMPANY	STATE OF WASHINGTON	TOTAL COMPANY
STATEMENT OF NET GAS OPERATING INCOME					
OPERATING REVENUES					
RESIDENTIAL SALES	$ 73,363,081	$ 19,564,611	$ 23,956,430	$111,481,401	$183,178,506
COMMERCIAL SALES	55,918,289	13,663,853	18,297,712	94,964,678	140,662,844
INDUSTRIAL SALES	66,380,548	23,022,941	42,487,242	166,150,102	305,166,843
OTHER SALES	-	-	-	-	-
OTHER GAS REVENUES	2,322,026	262,475	415,762	3,986,782	6,183,258
TOTAL OPERATING REVENUES	197,983,944	56,513,880	85,157,146	376,582,963	635,191,451
OPERATING EXPENSES					
PRODUCTION:					
MANUFACTURED GAS	30,519	-	-	53,223	95,522
NATURAL GAS	135,786,620	42,997,189	68,584,600	271,688,152	459,062,649
UNDERGROUND STORAGE	186,950	152,299	242,323	339,249	429,273
OTHER STORAGE	-	-	-	-	297,793
TRANSMISSION	41,832	-	-	46,307	114,006
DISTRIBUTION	6,476,759	876,178	1,220,340	10,171,080	18,202,813
CUSTOMER ACCOUNTS	3,912,786	798,773	1,051,593	6,151,555	11,780,135
CUSTOMER SERVICE & INFORMATIONAL EXPENSES	-	182,670	229,257	320,394	391,173
SALES	2,306,845	28,779	39,523	2,836,002	3,800,208
ADMINISTRATIVE AND GENERAL	5,236,686	2,307,946	3,034,880	11,131,520	17,800,327
WEATHERIZATION	-	-	-	-	212,298
TOTAL OPERATION AND MAINTENANCE EXPENSES	153,978,997	47,343,834	74,402,516	302,737,482	512,186,197
DEPRECIATION	6,629,972	1,390,958	1,862,102	11,418,302	20,916,504
AMORTIZATION	-	-	-	48,149	794,804
TAXES OTHER THAN INCOME TAXES	18,667,014	3,089,779	3,438,085	29,511,536	40,026,170
INCOME TAXES - FEDERAL	140,229	992,870	931,538	2,533,133	8,008,489
- OTHER	-	-	81,200	-	131,620
PROV. FOR DEFERRED INCOME TAXES	2,817,927	-	-	2,817,927	2,817,927
INCOME TAXES DEFERRED IN PRIOR YEAR (CR)	-	-	-	-	-
INVESTMENT TAX CREDIT ADJ. - NET	1,029,599	41,178	60,664	1,511,118	2,912,742
GAINS OR LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
TOTAL OPERATING EXPENSES	183,263,738	52,858,619	80,776,105	350,577,647	587,794,453
NET GAS OPERATING INCOME	$ 14,720,206	$ 3,655,261	$ 4,381,041	$ 26,005,316	$ 47,396,998
OPERATING GAS REVENUES BY PERCENT					
RESIDENTIAL SALES	37.06%	34.62%	28.13%	29.60%	28.84%
COMMERCIAL SALES	28.24	24.18	21.49	25.22	22.15
INDUSTRIAL SALES	33.53	40.74	49.89	44.12	48.04
OTHER SALES	-	-	-	-	-
OTHER GAS REVENUES	1.17	0.46	0.49	1.06	0.97
TOTAL OPERATING GAS REVENUES	100.00%	100.00%	100.00%	100.00%	100.00%

GAS UTILITIES - TOTAL COMPANY OPERATIONS
STATEMENT OF CHANGES IN FINANCIAL POSITION
DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY	TOTAL GAS UTILITIES
SOURCES OF FUNDS			
FUNDS FROM OPERATIONS:			
NET INCOME	$ 6,070,521	$ 28,249,507	$ 49,027,513
PRINCIPAL NON-CASH CHARGES (CREDITS) TO INCOME:			
DEPRECIATION AND DEPLETION	6,755,907	11,553,141	30,733,478
AMORTIZATION	31,704	129,529	1,121,249
PROV. FOR DEFERRED OR FUTURE INCOME TAXES (NET)	2,817,927	-	3,634,896
INVESTMENT TAX CREDIT ADJUSTMENTS	1,029,599	3,624,599	6,329,695
OTHER (NET)	-	(5,164,053)	(5,522,409)
TOTAL FUNDS FROM OPERATIONS	16,705,658	38,392,723	85,324,422
FUNDS FROM OUTSIDE SOURCES (NEW MONEY):			
LONG-TERM DEBT	-	-	1,600,000
PREFERRED STOCK	-	25,000,000	36,000,000
COMMON STOCK	259,393	22,831,210	25,387,403
NET INCREASE IN SHORT-TERM DEBT	17,000,000	-	11,700,000
OTHER (NET)	77,461	44,000,000	45,876,393
TOTAL FUNDS FROM OUTSIDE SOURCES	17,336,854	91,831,210	120,563,796
SALE OF NON-CURRENT ASSETS	-	-	943,439
CONTRIBUTIONS FROM ASSOCIATED AND SUBSIDIARY COMPANIES	8,355,746	-	8,355,746
OTHER (NET)	-	8,173,413	12,703,722
TOTAL SOURCES OF FUNDS	$ 42,398,258	$138,397,346	$227,891,125
APPLICATION OF FUNDS			
CONSTRUCTION AND PLANT EXPENDITURES (INCLUD. LAND):			
GROSS ADDITIONS TO UTILITY PLANT (LESS NUCLEAR FUEL)	$ 15,149,279	$ 56,052,802	$ 95,138,175
GROSS ADDITIONS TO NUCLEAR FUEL	-	-	-
GROSS ADDITIONS TO COMMON UTILITY PLANT	-	-	-
GROSS ADDITIONS TO NONUTILITY PLANT	-	-	(55,596)
OTHER	-	-	-
TOTAL APPLICATIONS TO CONSTRUCTION & PLANT EXPENDITURES (INCLUD. LAND)	15,149,279	56,052,802	95,082,579
DIVIDENDS ON PREFERRED STOCK	820,127	1,406,250	4,862,415
DIVIDENDS ON COMMON STOCK	4,377,381	15,984,294	28,949,588
FUNDS FOR RETIREMENT OF SECURITIES AND SHORT-TERM DEBT:			
LONG-TERM DEBT	2,539,000	7,954,000	17,032,500
PREFERRED STOCK	311,300	-	1,300,006
REDEMPTION OF CAPITAL STOCK	-	-	-
NET DECREASE IN SHORT-TERM DEBT	-	-	-
OTHER (NET)	-	57,000,000	57,000,000
PURCHASE OF OTHER NON-CURRENT ASSETS	-	-	423,321
INVESTMENTS IN AND ADVANCES TO ASSOCIATED AND SUBSIDIARY COMPANIES	(4,347,134)	-	(4,347,134)
OTHER - NET	23,548,305	-	27,587,850
TOTAL APPLICATION OF FUNDS	$ 42,398,258	$138,397,346	$227,891,125

GAS UTILITIES - STATE OF WASHINGTON AND TOTAL COMPANY OPERATIONS
PLANT, PRODUCTION AND SALES STATISTICS
FOR AND AT THE YEAR ENDED DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY		TOTAL GAS UTILITIES	
		STATE OF WASHINGTON	TOTAL COMPANY	STATE OF WASHINGTON	TOTAL COMPANY
GAS PLANT IN SERVICE AND HELD FOR FUTURE USE - END OF YEAR					
INTANGIBLE PLANT	$ 166,152	$ -	$ -	$ 304,757	$ 569,427
PRODUCTION AND STORAGE PLANT	9,943,785	6,914,440	11,001,497	16,858,225	43,810,463
TRANSMISSION AND DISTRIBUTION PLANT	198,092,662	46,304,442	59,884,612	338,034,308	595,666,752
GENERAL PLANT	10,384,509	5,793,441	7,963,747	21,116,217	46,038,286
TOTAL GAS PLANT IN SERVICE	218,587,108	59,012,323	78,849,856	376,313,507	686,084,928
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-
LESS: ACCUM. PROVISION FOR DEPREC. & AMORT. - GAS	48,291,454	13,528,924	17,908,231	87,755,643	146,563,834
NET GAS PLANT	$170,295,654	$ 45,483,399	$ 60,941,625	$288,557,864	$539,521,094
CONSTRUCTION WORK IN PROGRESS	$ 3,872,422	$ 240,672	$ 313,812	$ 4,752,174	$ 5,089,987
ANNUAL GAS PRODUCTION AND SALES (THERMS)					
GAS PRODUCED	-	-	-	1,436	1,676
GAS PURCHASED	696,811,000	214,617,674	342,374,500	1,368,991,718	2,327,922,153
TOTAL GAS PRODUCED AND PURCHASED	696,811,000	214,617,674	342,374,500	1,368,993,154	2,327,923,829
GAS USED BY COMPANY	258,000	-	-	430,781	2,934,215
GAS SOLD	677,319,000	211,542,262	337,909,724	1,342,739,632	2,274,786,649
GAS UNACCOUNTED FOR	19,234,000	3,075,412	4,464,776	27,603,136	46,429,639
GAS DELIVERED TO (FROM) STORAGE	-	-	-	(1,780,395)	3,773,326
UNACCOUNTED FOR TO TOTAL PRODUCED AND PURCHASED (%)	2.76%	1.43%	1.30%	2.02%	1.99%
PERCENT DEPRECIATION & AMORTIZATION EXPENSE TO TOTAL GAS PLANT IN SERVICE	22.09%	22.93%	22.71%	23.32%	21.36%
PERCENT NET GAS UTILITY OPERATING INCOME TO NET GAS PLANT	8.64%	8.04%	7.19%	9.01%	8.79%
TRANSMISSION AND DISTRIBUTION MAINS - FEET (END OF YEAR)	28,909,968	8,168,141	10,898,811	49,983,188	91,762,733
NUMBER OF METERS IN SERVICE AND HELD IN RESERVE (AVERAGE)	261,982.5	58,465.5	75,463.5	402,432.5	674,742
NUMBER OF CUSTOMERS - AVERAGE	230,915	56,459	72,973	354,741	596,629
AVERAGE B.T.U. CONTENT PER CU. FT.	1,046	1,060	1,060	-	-

GAS UTILITIES - STATE OF WASHINGTON AND TOTAL COMPANY OPERATIONS
SALES STATISTICS FOR GAS OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1978

	WASHINGTON NATURAL GAS COMPANY	THE WASHINGTON WATER POWER COMPANY		TOTAL GAS UTILITIES	
		STATE OF WASHINGTON	TOTAL COMPANY	STATE OF WASHINGTON	TOTAL COMPANY
GAS SERVICE REVENUES					
RESIDENTIAL SALES	$ 73,363,081	$ 19,564,611	$ 23,956,430	$111,481,401	$183,178,506
COMMERCIAL SALES	55,918,290	13,663,853	18,297,712	94,964,679	140,662,845
INDUSTRIAL SALES	66,380,548	23,022,941	42,487,242	166,150,102	305,166,843
SALES FOR RESALE	-	-	-	-	-
TOTAL GAS SERVICE REVENUES	$195,661,919	$ 56,251,405	$ 84,741,384	$372,596,182	$629,008,194
THERMS OF GAS SOLD					
RESIDENTIAL SALES	215,849,580	61,870,991	76,267,725	330,974,186	528,983,439
COMMERCIAL SALES	189,683,327	49,544,523	67,382,160	323,912,956	468,333,483
INDUSTRIAL SALES	271,785,625	100,126,748	194,259,839	687,852,022	1,277,554,879
SALES FOR RESALE	-	-	-	-	-
TOTAL THERMS OF GAS SOLD	677,318,532	211,542,262	337,909,724	1,342,739,164	2,274,871,801
AVERAGE NUMBER OF GAS CUSTOMERS PER MONTH					
RESIDENTIAL SALES	206,064	50,249	64,134	312,014	524,568
COMMERCIAL SALES	24,212	5,975	8,540	41,573	70,245
INDUSTRIAL SALES	639	235	299	1,154	1,816
SALES FOR RESALE	-	-	-	-	-
TOTAL GAS CUSTOMERS	230,915	56,459	72,973	354,741	596,629
AVERAGE GAS SERVICE REVENUE PER THERM OF GAS SOLD					
RESIDENTIAL SALES	33.99¢	31.62¢	31.41¢	33.68¢	34.62¢
COMMERCIAL SALES	29.48	27.58	27.16	29.32	30.03
INDUSTRIAL SALES	24.42	22.99	21.87	24.15	23.89
SALES FOR RESALE	-	-	-	-	-
TOTAL	28.89¢	26.59¢	25.08¢	27.75¢	27.65¢
AVERAGE GAS SERVICE REVENUE PER GAS CUSTOMER					
RESIDENTIAL SALES	$ 356.02	$ 389.35	$ 373.54	$ 357.30	$ 349.20
COMMERCIAL SALES	2,309.53	2,286.84	2,142.59	2,284.29	2,002.46
INDUSTRIAL SALES	103,881.92	97,969.96	142,097.80	143,977.56	168,043.42
SALES FOR RESALE	-	-	-	-	-
TOTAL	$ 847.33	$ 996.32	$ 1,161.27	$ 1,050.33	$ 1,054.27
AVERAGE THERMS GAS SOLD PER CUSTOMER					
RESIDENTIAL SALES	1,047	1,231	1,189	1,061	1,008
COMMERCIAL SALES	7,834	8,292	7,890	7,791	6,667
INDUSTRIAL SALES	425,330	426,071	649,698	596,059	703,499
SALES FOR RESALE	-	-	-	-	-
TOTAL	2,933	3,747	4,631	3,785	3,813

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STATISTICS

OF

WATER COMPANIES

1978

PREPARED BY UTILITY ACCOUNTING SECTION OF THE
FINANCE AND ACCOUNTS DIVISION

**WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

OLYMPIA, WASHINGTON

STATISTICS

OF

WATER UTILITIES

****

1978

****

Prepared by the Utility Accounting Section
of the Finance and Accounts Division

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
Olympia, Washington
98504

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ANALYSIS
of
WATER UTILITIES IN THE STATE OF WASHINGTON
YEAR 1978

This statistical report incorporates the results of operations of various water utilities as they are reported in the annual reports to this Commission.

The balance sheets, operating income statements, plant statistics, and various rate base components are presented herein for each Class A, B and C company and for all Class D companies having $5,000.00 or more gross operating revenues billed during the year. A listing of all Class D companies having less than $5,000 gross operating revenues billed during the year is presented, showing each of the three items required on the annual report and a calculation of the average revenue per customer based on the end of year customers. The pages showing the operations of the individual companies also contain statistical ratios derived from the data included in the annual reports filed with the Commission by those companies operating water utilities in this State, which are subject to regulation by the Washington Utilities and Transportation Commission.

Table I is a summarization for the years 1974 to 1978 inclusive of the operating data of all companies except the Class D companies with less than $5,000.00 billed revenues. This table shows utility plant, net operating income, plant statistics, and statistical ratios. Table II summarizes the above information for the year 1978 for Class A, B, C, and D companies with $5,000.00 Or more billed revenues. It also shows the totals of the customers and the gross operating revenues billed for Class D companies with less than $5,000.00 billed revenues.

Chart I shows the deductions from revenues and operating income or loss as a percentage of gross operating revenue.

Chart II shows the dollar distribution of gross operating revenue.

Charts I and II show the effect for the years 1974 through 1978 for all companies except Class D with less than $5,000.00 billed revenues.

Under the Commission's system of classification in effect during 1978, water utilities with annual gross revenues of $100,000.00 or more were Class A companies; those with revenues from $50,000.00 to $100,000.00 or more were Class B; those from $25,000.00 to $50,000.00 were Class C; and those having annual gross revenues under $25,000.00 were Class D companies.

There were three Class A companies, two Class B companies, six Class C companies and thirty-two Class D companies.

Fox Island Water Company was sold to Fox Island Mutual Water Association as granted in Cause No. U-78-26, effective June 7, 1978.

Homewood Water System, Inc., was sold to the City of Lacey as granted in Cause No. U-78-29, effective June 7, 1978.

Terminal Heights Water System was sold to the P.U.D. in Wenatchee as of July 1, 1978.

University Place Water Company was sold to the City of Tacoma as granted in Cause No. U-78-59, effective November 28, 1978.

Wishram Water Works was sold to P.U.D. No. 1 of Klickitat County as of October 1, 1978.

During 1978, four initial tariffs were received with effective dates as follows: Richardson Water Companies, November 1, 1978; Saratoga Water, Inc., April 26, 1978; South Sound Utility Co., Inc., November 8, 1978; and Stroh Water Co., March 28, 1978.

ANALYSIS OF WATER UTILITIES IN THE STATE OF WASHINGTON (continued)

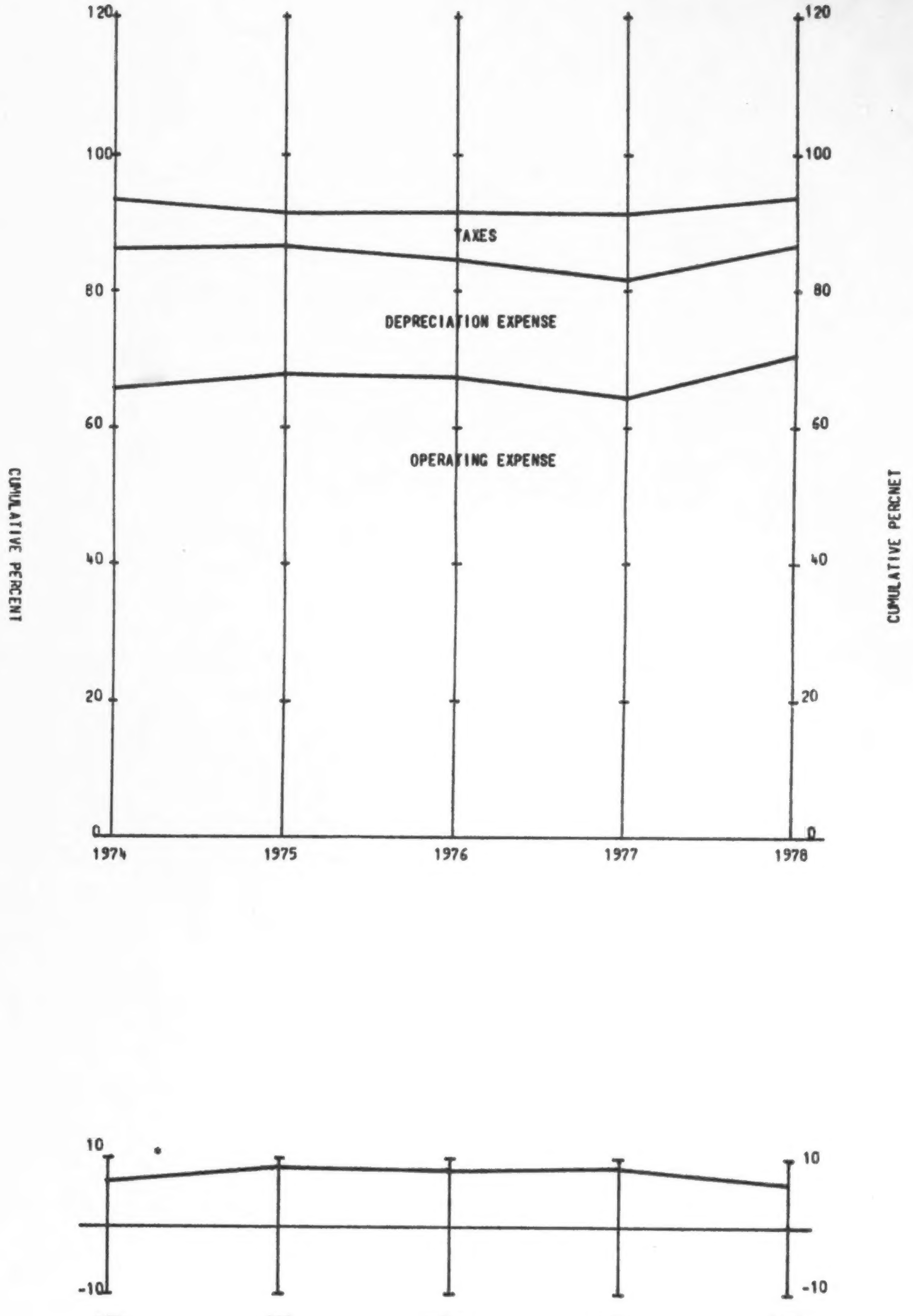
OPERATING STATISTICS

Table I, on page 6, shows that total plant devoted to water operations decreased from $20,635,876 in 1977 to $19,455,595 in 1978. Operating revenues increased from $2,268,436 in 1977 to $2,290,230 in 1978 and total deductions from revenues increased from $2,065,623 in 1977 to $2,150,777 in 1978. In 1978 the water utilities showed a net operating income of $139,453 or a decrease in the net operating income of $63,360 from that of the previous year.

PERCENTAGE OF DISTRIBUTION OF GROSS REVENUES

	1977	*1978*
Operating Revenues	*100.00%*	*100.00%*
Operating Expenses	*64.41*	*70.65*
Depreciation Expense	*17.30*	*15.95*
Taxes	*9.35*	*7.31*
Total Deductions	*91.06*	*93.91*
Operating Income	*8.94*	*6.09*

CHART I
DEDUCTIONS FROM REVENUES AND OPERATING INCOME OR LOSS AS A PERCENT OF GROSS OPERATING REVENUE WATER UTILITIES-STATE OF WASHINGTON 1974-1978



*NET OPERATING INCOME

CHART II
DOLLAR DISTRIBUTION OF GROSS OPERATING REVENUE
WATER UTILITIES-STATE OF WASHINGTON
1974-1978

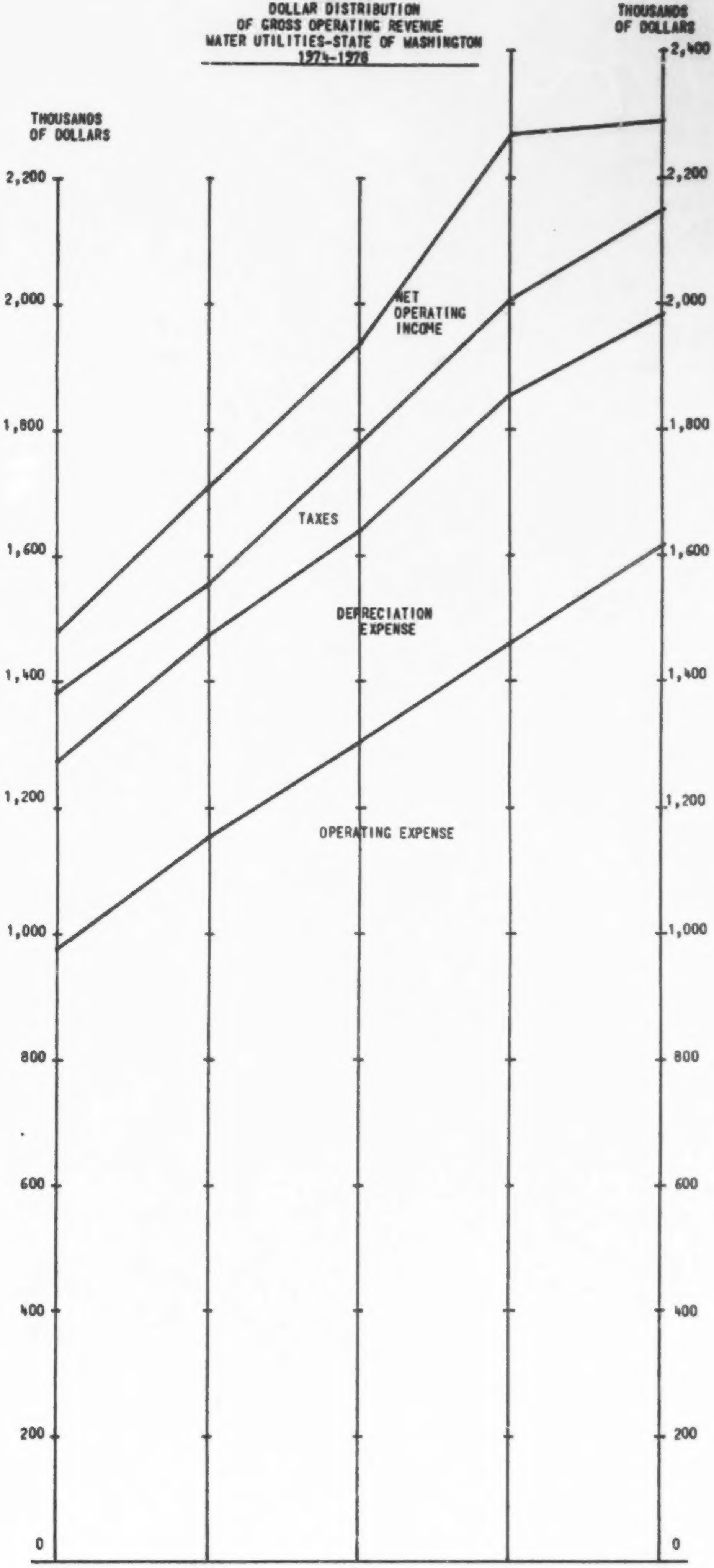


TABLE I
WATER PROPERTIES - STATE OF WASHINGTON
SUMMARY CLASSES A, B, C, AND D WATER UTILITIES (EXCLUDES CLASS D WITH LESS THAN $5,000 REVENUES)
1974-1978

	1974	1975	1976	1977	1978
FINANCIAL DATA					
UTILITY PLANT IN SERVICE					
NON-DEPRECIABLE	$ 296,547	$ 695,607	$ 744,787	$ 848,728	$ 1,004,384
DEPRECIABLE	15,806,158	16,597,243	17,637,805	19,787,148	18,451,211
TOTAL UTILITY PLANT IN SERVICE	$16,102,705	$17,652,850	$18,382,592	$20,635,876	$19,455,595
TOTAL OPERATING REVENUES	$ 1,484,801	$ 1,710,299	$ 1,940,188	$ 2,268,436	$ 2,290,230
TOTAL OPERATING AND MAINTENANCE EXPENSES	978,843	1,154,917	1,309,420	1,461,145	1,618,129
DEPRECIATION	298,924	319,299	334,968	391,822	364,834
AMORTIZATION	584	255	526	525	509
TAXES	108,333	83,118	138,781	212,131	167,305
TOTAL DEDUCTIONS FROM REVENUES	1,386,684	1,557,589	1,783,695	2,065,623	2,150,777
NET OPERATING INCOME	$ 98,117	$ 152,710	$ 156,493	$ 202,813	$ 139,453
PLANT STATISTICS					
CAPACITY OF RESERVOIRS AND TANKS - GALLONS	29,367,228	31,834,366	38,444,968	38,794,179	38,177,041
LENGTH OF MAINS - FEET	2,752,184	2,976,851	2,959,677	3,107,229	2,696,787
NUMBER OF CUSTOMERS	21,849	23,037	23,830	26,000	23,338
STATISTICAL COMPARISONS					
PERCENT OF OPERATING REVENUES:					
TOTAL UTILITY PLANT	1,084.50$	1,032.15$	947.46$	909.69$	849.50$
OPERATION AND MAINTENANCE EXPENSES	65.92	67.53	67.49	64.41	70.65
DEPRECIATION AND AMORTIZATION EXPENSE	20.17	18.68	17.29	17.30	15.95
TAXES	7.30	4.86	7.15	9.35	7.31
TOTAL DEDUCTIONS	93.39	91.07	91.93	91.06	93.91
NET OPERATING INCOME	6.61	8.93	8.07	8.94	6.09
$ DEPRECIATION EXPENSE OF TOTAL DEPRECIABLE UTILITY PLANT	1.89	1.88	1.90	1.98	1.98
$ TAXES OF TOTAL UTILITY PLANT	0.67	0.47	0.75	1.03	0.86

TABLE II - STATE OF WASHINGTON
SUMMARY OF WATER UTILITIES
1978

	CLASSES A, B AND C	CLASS D (WITH REVENUES $5,000 & OVER)	SUB-TOTAL	CLASS D (WITH REVENUES LESS THAN $5,000)	AVAILABLE TOTALS
FINANCIAL DATA (END OF YEAR)					
NON-DEPRECIABLE PLANT	$ 860,125	$ 144,259	$ 1,004,384	N/R	
DEPRECIABLE PLANT IN SERVICE	15,624,735	2,826,476	18,451,211	N/R	
UTILITY PLANT IN SERVICE	16,484,860	2,970,735	19,455,595	N/R	
RESERVE FOR DEPREC. & AMORT. - UTILITY PLANT	4,541,716	614,943	5,156,659	N/R	
NET UTILITY PLANT IN SERVICE	$11,943,144	$2,355,792	$14,298,936	N/R	
MATERIALS AND SUPPLIES	$ 183,908	$ 2,690	$ 186,598	N/R	
CONTRIBUTIONS IN AID OF CONSTRUCTION	$ 2,310,139	$ 466,421	$ 2,776,560	N/R	
OPERATING REVENUE					
REVENUE FROM GENERAL CUSTOMERS	$ 1,818,506	$ 447,289	$ 2,265,795	N/R	
OTHER OPERATING REVENUES	14,270	10,165	24,435	N/R	
TOTAL OPERATING REVENUE	1,832,776	457,454	2,290,230	$37,604	$2,327,834
DEDUCTIONS FROM REVENUE					
TOTAL OPERATION AND MAINTENANCE EXPENSES	1,317,875	300,254	1,618,129	N/R	
DEPRECIATION	283,525	81,309	364,834	N/R	
AMORTIZATION	10	499	509	N/R	
TAXES	136,109	31,196	167,305	N/R	
TOTAL DEDUCTIONS	1,737,519	413,258	2,150,777	N/R	
NET OPERATING INCOME	$ 95,257	$ 44,196	$ 139,453	N/R	
PLANT STATISTICS					
CAPACITY OF RESERVOIRS & TANKS - GALLONS	30,250,262	7,926,779	38,177,041	N/R	
LENGTH OF MAINS - FEET	2,130,168	566,619	2,696,787	N/R	
NUMBER OF CUSTOMERS - METERED	17,496	2,327	19,823	N/R	
- FLAT RATE	1,438	2,077	3,515	N/R	
TOTAL CUSTOMERS	18,934	4,404	23,338	436	23,774
STATISTICAL COMPARISONS (END OF YEAR)					
PERCENT OF CUSTOMERS METERED	92.41%	52.84%	84.94%	N/R	
CUSTOMERS PER MILE OF MAINS	46.93	41.04	45.69	N/R	
OPERATING REVENUE PER CUSTOMER	$ 97.00	$ 104.00	$ 98.00	$ 86.00	$ 98.00

N/R DENOTES "NOT REQUIRED"

CLASSES A, B AND C WATER UTILITIES - TOTAL SYSTEM
BALANCE SHEET AND RATIOS
DECEMBER 31, 1978

	ALDERTON-McMILLIN WATER SUPPLY, INC.	BAKER RIVER POWER, LIGHT & WATER COMPANY	FALL CITY WATER COMPANY	HARBOR WATER CO., INC.	NORTH BAINBRIDGE WATER CO.
BALANCE SHEET - END OF YEAR					
ASSETS AND OTHER DEBITS					
UTILITY PLANT IN SERVICE - WATER	$210,923	$ 47,442	$211,964	$1,103,687	$323,967
CONSTRUCTION WORK IN PROGRESS - WATER	-	-	-	-	-
PROPERTY HELD FOR FUTURE USE - WATER	-	-	-	-	-
UTILITY PLANT ACQUISITION ADJ. - WATER	-	-	-	-	-
TOTAL UTILITY PLANT	210,923	47,442	211,964	1,103,687	323,967
LESS: ACCUM. PROV. FOR DEPR. & AMORT. - WATER	47,022	36,641	108,654	42,799	127,607
NET UTILITY PLANT - WATER	163,901	10,801	103,310	1,060,888	196,360
OTHER PROPERTY AND INVESTMENTS	-	60,000	-	-	-
MATERIALS AND SUPPLIES - WATER	-	-	180	21,364	848
OTHER CURRENT AND ACCRUED ASSETS	39,644	9,798	23,283	19,509	8,844
DEFERRED DEBITS (EXCLUDING DEBT DISCOUNT & EXPENSE)	-	-	-	-	-
TOTAL ASSETS AND OTHER DEBITS	$203,545	$ 80,599	$126,773	$1,101,761	$206,052
LIABILITIES AND OTHER CREDITS					
COMMON CAPITAL STOCK	$ 50,000	$ 10,000	$ 30,625	$ 12,900	$ -
PREFERRED STOCK	-	-	-	-	-
OTHER PAID-IN CAPITAL	3,613	-	200	44,575	-
CAPITAL STOCK DISCOUNT AND EXPENSE - DEBIT	-	-	-	6,400	-
REACQUIRED CAPITAL STOCK	-	-	-	-	-
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
EARNED SURPLUS	30,634	14,380	41,156	185	131,319
SUB-TOTAL	84,247	24,380	71,981	51,260	131,319
LONG TERM DEBT	10,948	-	8,600	333,717	-
DEBT DISCOUNT & EXPENSE - DEBIT	-	-	-	-	-
PREMIUM ON LONG-TERM DEBT	-	-	-	-	-
TOTAL CAPITALIZATION	95,195	24,380	80,581	384,977	131,319
CURRENT & ACCRUED LIABILITIES	53,648	55,964	3,619	84,660	2,878
DEFERRED CREDITS AND OPERATING RESERVES	-	-	5,780	-	-
CONTRIBUTIONS IN AID OF CONSTRUCTION - WATER	54,702	255	36,793	632,124	71,855
TOTAL LIABILITIES AND OTHER CREDITS	$203,545	$ 80,599	$126,773	$1,101,761	$206,052
BALANCE SHEET RATIOS					
DEBT RATIO (NET LONG-TERM CAPITAL)(%)	11.50%	-	10.67%	86.69%	-
ACCUM. PROV. FOR DEPR. & AMORT. TO UTIL. PLNT. IN SERVICE (%)	22.29	77.23%	51.26	3.88	39.39%

CLASSES A, B AND C WATER UTILITIES - STATE OF WASHINGTON
UTILITY PLANT IN SERVICE AND NET OPERATING INCOME STATEMENT
YEAR 1978

	ALDERTON-McMILLIN WATER SUPPLY, INC.	BAKER RIVER POWER, LIGHT & WATER COMPANY	FALL CITY WATER COMPANY	HARBOR WATER CO., INC.	NORTH BAINBRIDGE WATER CO.
FINANCIAL DATA					
UTILITY PLANT IN SERVICE (WATER ONLY) END OF YEAR					
NON-DEPRECIABLE	$ 4,175	$ 10,000	$ 3,145	$ 655,004	$ 5,440
DEPRECIABLE	206,748	37,442	208,819	448,683	318,527
TOTAL UTILITY PLANT IN SERVICE	$210,923	$ 47,442	$211,964	$1,103,687	$323,967
NET OPERATING INCOME STATEMENT					
WATER OPERATING REVENUES					
UNMETERED SALES TO GENERAL CUSTOMERS	$ -	$ 26,586	$ 46,647	$ 23,486	$ 864
METERED SALES TO GENERAL CUSTOMERS	47,585	5,488	-	183,188	70,619
OTHER SALES OF WATER	-	1,380	-	-	-
OTHER OPERATING REVENUES	-	605	878	-	-
TOTAL OPERATING REVENUES	47,585	34,059	47,525	206,674	71,483
WATER OPERATION AND MAINTENANCE EXPENSES					
SOURCE OF SUPPLY	9,380	-	1,107	15,039	-
PUMPING	-	-	6,070	20,160	4,959
WATER TREATMENT	-	-	-	6,162	-
TRANSMISSION AND DISTRIBUTION	1,220	17,324	7,124	8,940	4,408
CUSTOMER ACCOUNTS	103	126	6,821	29,228	1,603
SALES	-	-	-	-	-
ADMINISTRATIVE AND GENERAL	24,014	8,859	6,754	59,732	38,639
TOTAL OPERATION AND MAINTENANCE	34,717	26,309	27,876	139,261	49,609
OTHER DEDUCTIONS FROM WATER REVENUES					
DEPRECIATION	3,586	174	5,584	13,088	8,935
AMORTIZATION	-	-	-	-	-
TAXES	7,439	2,492	6,666	23,862	8,734
TOTAL DEDUCTIONS FROM REVENUES	45,742	28,975	40,126	176,211	67,278
NET OPERATING INCOME	$ 1,843	$ 5,084	$ 7,399	$ 30,463	$ 4,205

CLASSES A, B AND C WATER UTILITIES - STATE OF WASHINGTON
PLANT STATISTICS AND FINANCIAL AND PLANT RATIOS
YEAR 1978

	ALDERTON-McMILLIN WATER SUPPLY, INC.	BAKER RIVER POWER, LIGHT & WATER COMPANY	FALL CITY WATER COMPANY	HARBOR WATER CO., INC.	NORTH BAINBRIDGE WATER CO.
PLANT STATISTICS - END OF YEAR					
SOURCE OF SUPPLY	WELLS & SPRINGS	SPRINGS	WELLS & SPRINGS	WELLS	WELLS & SPRINGS
CAPACITY OF RESERVOIRS & TANKS - GALLONS	45,000	100,000	154,000	680,000	422,400
CAPACITY OF PUMPS (GPM)	1,150	300	850	6,060	350
NUMBER OF EMPLOYEES	3	1	4	9	5
NUMBER OF CUSTOMERS - METERED	328	15	-	1,602	636
- FLAT RATE	-	310	665	193	1
TOTAL CUSTOMERS	328	325	665	1,795	637
MAINS - TRANSMISSION & DISTRIBUTION (LENGTH IN FEET)					
WOOD	-	18,958	500	-	-
IRON	-	885	5,700	8,560	-
STEEL	13,344	4,551	58,317	-	36,967
ASBESTOS - CEMENT	29,823	6,462	8,992	3,200	55,251
PLASTIC	3,200	3,693	2,050	240,236	20,308
TOTAL MAINS	46,367	34,549	75,559	251,996	112,526
TYPE OF PURIFICATION	SEDIMENT BASIN	CHLORINATION	CHLORINATION	CHLORINATION	FILTRATION THROUGH SAND BEDS
PRESSURE RANGE - PSI	30-70	65-125	75-90	40-80	20-100
FINANCIAL AND PLANT COMPARISONS - WATER DIVISION					
PERCENT OF OPERATING REVENUES:					
TOTAL UTILITY PLANT IN SERVICE	443.26%	139.29%	446.01%	534.02%	453.21%
OPERATION AND MAINTENANCE EXPENSES	72.96	77.24	58.65	67.38	69.40
DEPRECIATION AND AMORTIZATION EXPENSE	7.54	0.51	11.75	6.33	12.50
TAXES	15.63	7.32	14.03	11.55	12.22
TOTAL DEDUCTIONS	96.13	85.07	84.43	85.26	94.12
NET OPERATING INCOME	3.87	14.93	15.57	14.74	5.88
TOTAL UTILITY PLANT PER CUSTOMER	$643.00	$146.00	$319.00	$615.00	$509.00
% NON-DEPRECIABLE PLANT OF TOTAL UTILITY PLANT	1.98%	21.08%	1.48%	59.35%	1.68%
% DEPRE. EXPENSE OF TOTAL DEPRECIABLE UTIL. PLANT	1.73	0.46	2.67	2.92	2.81
PERCENT OF CUSTOMERS METERED	100.00%	4.62%	-	89.25%	99.84%
OPERATING REVENUES PER CUSTOMER	$145.00	$105.00	$ 71.00	$115.00	$112.00
FIELD OF OPERATIONS	ALDERTON-McMILLIN & VICINITY	CONCRETE & VICINITY	FALL CITY	GIG HARBOR & VICINITY	ROLLING BAY

CLASSES A, B AND C WATER UTILITIES - TOTAL SYSTEM
BALANCE SHEET AND RATIOS
DECEMBER 31, 1978

	PACIFIC BEACH WATER, INC.	RICHARDSON WATER COMPANIES (1)	SOUTH SOUND UTILITY CO., INC.	STANWOOD WATER COMPANY
BALANCE SHEET - END OF YEAR				
ASSETS AND OTHER DEBITS				
UTILITY PLANT IN SERVICE - WATER	$230,372	$1,068,241	$282,903	$570,317
CONSTRUCTION WORK IN PROGRESS - WATER	-	-	-	-
PROPERTY HELD FOR FUTURE USE - WATER	-	-	93,840	-
UTILITY PLANT ACQUISITION ADJ. - WATER	12,996	-	-	-
TOTAL UTILITY PLANT	243,368	1,068,241	376,743	570,317
LESS: ACCUM. PROV. FOR DEPR. & AMORT. - WATER	129,259	53,634	43,188	386,934
NET UTILITY PLANT - WATER	114,109	1,014,607	333,555	183,383
OTHER PROPERTY AND INVESTMENTS	-	-	-	-
MATERIALS AND SUPPLIES - WATER	-	-	-	8,500
OTHER CURRENT AND ACCRUED ASSETS	4,110	28,144	18,895	23,751
DEFERRED DEBITS (EXCLUDING DEBT DISCOUNT & EXPENSE)	152	-	-	-
TOTAL ASSETS AND OTHER DEBITS	$118,371	$1,042,751	$352,450	$215,634
LIABILITIES AND OTHER CREDITS				
COMMON CAPITAL STOCK	$ 10,076	$ -	$ 5,000	$ 50,000
PREFERRED STOCK	-	-	-	-
OTHER PAID-IN CAPITAL	-	-	-	-
CAPITAL STOCK DISCOUNT AND EXPENSE - DEBIT	-	-	-	-
REACQUIRED CAPITAL STOCK	-	-	-	-
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-
EARNED SURPLUS	21,706	(7,547)	36,268	51,487
SUB-TOTAL	31,782	(7,547)	41,268	101,487
LONG-TERM DEBT	44,899	128,612	238,372	-
DEBT DISCOUNT & EXPENSE - DEBIT	-	-	-	-
PREMIUM ON LONG-TERM DEBT	-	-	-	-
TOTAL CAPITALIZATION	76,681	121,065	279,640	101,487
CURRENT & ACCRUED LIABILITIES	7,439	51,858	2,680	34,195
DEFERRED CREDITS AND OPERATING RESERVES	-	-	-	-
CONTRIBUTIONS IN AID OF CONSTRUCTION - WATER	34,251	869,828	70,130	79,952
TOTAL LIABILITIES AND OTHER CREDITS	$118,371	$1,042,751	$352,450	$215,634
BALANCE SHEET RATIOS				
DEBT RATIO (NET LONG-TERM DEBT TO TOTAL CAPITAL)(%)	58.55%	106.23%	85.24%	-
ACCUM. PROV. FOR DEPR. & AMORT. TO UTIL. PLNT. IN SERVICE (%)	56.11	5.02	15.27	67.85%

(1) DATA SUPPLIED BY COMPANY WAS INCOMPLETE.

CLASSES A, B AND C WATER UTILITIES - STATE OF WASHINGTON
UTILITY PLANT IN SERVICE AND NET OPERATING INCOME STATEMENT
YEAR 1978

	PACIFIC BEACH WATER, INC.	RICHARDSON WATER COMPANIES (1)	SOUTH SOUND UTILITY INC., INC.	STANWOOD WATER COMPANY
FINANCIAL DATA				
UTILITY PLANT IN SERVICE (WATER ONLY) END OF YEAR				
NON-DEPRECIABLE	$ 7,301	$ 37,400	$ -	$ 11,385
DEPRECIABLE	223,071	1,030,841	282,903	558,932
TOTAL UTILITY PLANT IN SERVICE	$230,372	$1,068,241	$282,903	$570,317
NET OPERATING INCOME STATEMENT				
WATER OPERATING REVENUES				
UNMETERED SALES TO GENERAL CUSTOMERS	$ 51,703	$ 13,407	$ 2,275	$ 58,426
METERED SALES TO GENERAL CUSTOMERS	-	65,455	69,581	74,702
OTHER SALES OF WATER	-	-	13,585	2,375
OTHER OPERATING REVENUES	-	2,716	5,775	-
TOTAL OPERATING REVENUES	51,703	81,578	91,216	135,503
WATER OPERATION AND MAINTENANCE EXPENSES				
SOURCE OF SUPPLY	2,745	-	30,309	5,617
PUMPING	1,189	-	6,189	17,190
WATER TREATMENT	3,215	-	424	-
TRANSMISSION AND DISTRIBUTION	-	-	1,422	30,740
CUSTOMER ACCOUNTS	-	-	-	21,110
SALES	-	-	3,441	-
ADMINISTRATIVE AND GENERAL	20,857	130,377	18,206	22,080
TOTAL OPERATION AND MAINTENANCE	28,006	130,377	59,991	96,737
OTHER DEDUCTIONS FROM WATER REVENUES				
DEPRECIATION	4,858	7,318	7,158	18,642
AMORTIZATION	-	-	-	-
TAXES	3,342	23,142	10,128	15,163
TOTAL DEDUCTIONS FROM WATER REVENUES	36,206	160,837	77,277	130,542
NET OPERATING INCOME	$ 15,497	($ 79,259)	$ 13,939	$ 4,961

(1) DATA SUPPLIED BY COMPANY WAS INCOMPLETE.

CLASSES A, B AND C WATER UTILITIES - STATE OF WASHINGTON
PLANT STATISTICS AND FINANCIAL AND PLANT RATIOS
YEAR 1978

	PACIFIC BEACH WATER, INC.	RICHARDSON WATER COMPANIES (1)	SOUTH SOUND UTILITY CO., INC.	STANWOOD WATER COMPANY
PLANT STATISTICS - END OF YEAR				
SOURCE OF SUPPLY	WELLS	WELLS	WELLS & PURCHASED WATER	WELLS & SPRINGS
CAPACITY OF RESERVOIRS & TANKS - GALLONS	150,000	114,092	77,770	347,000
CAPACITY OF PUMPS (GPM)	600	32	1,357	3,950
NUMBER OF EMPLOYEES	4	16	4	11
NUMBER OF CUSTOMERS - METERED	395	1,004	727	931
- FLAT RATE	-	234	35	-
TOTAL CUSTOMERS	395	1,238	762	931
MAINS - TRANSMISSION & DISTRIBUTION (LENGTH IN FEET)				
WOOD	1,000	-	-	500
IRON	500	-	-	-
STEEL	11,885	-	-	84,340
ASBESTOS - CEMENT	14,075	-	10,000	97,733
PLASTIC	28,620	-	80,259	14,540
TOTAL MAINS	56,080	-	90,259	197,113
TYPE OF PURIFICATION	ION EXCHANGE HYPO-CHLORINATION	N/A	CHLORINATION	CHLORINE
PRESSURE RANGE - PSI	25-100	40-60	30-100	40-80
FINANCIAL AND PLANT COMPARISONS - WATER DIVISION				
PERCENT OF OPERATING REVENUES:				
TOTAL UTILITY PLANT IN SERVICE	445.57%	1,309.47%	310.15%	420.89%
OPERATION AND MAINTENANCE EXPENSES	54.17	159.82	65.77	71.39
DEPRECIATION AND AMORTIZATION EXPENSE	9.40	8.97	7.85	13.76
TAXES	6.46	28.37	11.10	11.19
TOTAL DEDUCTIONS	70.03	197.16	84.72	96.34
NET OPERATING INCOME	29.97	(97.16)	15.28	3.66
TOTAL UTILITY PLANT PER CUSTOMER	$583.00	$863.00	$371.00	$613.00
% NON-DEPRECIABLE PLANT OF TOTAL UTILITY PLANT	3.17%	3.50%	-	2.00%
% DEPRE. EXPENSE OF TOTAL DEPRECIABLE UTIL. PLANT	2.18	0.71	2.53	3.34
PERCENT OF CUSTOMERS METERED	100.00%	81.10%	95.41%	100.00%
OPERATING REVENUE PER CUSTOMER	$131.00	$ 66.00	$120.00	$146.00
FIELD OF OPERATIONS	PACIFIC BEACH & MOCLIPS	SOUTHWESTERN WASH.	MASON & THURSTON COUNTIES	STANWOOD & VICINITY

(1) DATA SUPPLIED BY COMPANY WAS INCOMPLETE.

CLASSES A, B AND C WATER UTILITIES-TOTAL SYSTEM
BALANCE SHEET AND RATIOS
DECEMBER 31, 1978

	THE WASHINGTON WATER POWER COMPANY	WEST PASCO WATER SYSTEM, INC.	TOTAL CLASSES A, B & C WATER UTILITIES
BALANCE SHEET - END OF YEAR			
ASSETS AND OTHER DEBITS			
UTILITY PLANT IN SERVICE - WATER	$ 12,155,166	$737,350	$ 16,942,332
CONSTRUCTION WORK IN PROGRESS - WATER	307,173	-	307,173
PROPERTY HELD FOR FUTURE USE - WATER	-	-	93,840
UTILITY PLANT ACQUISITION ADJUSTMENT - WATER	-	-	12,996
TOTAL UTILITY PLANT	12,462,339	737,350	17,356,341
LESS: ACCUM. PROV. FOR DEPR. & AMORT. - WATER	3,470,034	95,944	4,541,716
NET UTILITY PLANT - WATER	8,992,305	641,406	12,814,625
OTHER PROPERTY AND INVESTMENTS	541,566,226	-	541,626,226
MATERIALS AND SUPPLIES - WATER	145,171	7,845	183,908
OTHER CURRENT AND ACCRUED ASSETS	26,393,723	30,233	26,599,934
DEFERRED DEBITS (EXCLUDING DEBT DISCOUNT & EXPENSE)	2,283,923	-	2,284,075
TOTAL ASSETS AND OTHER DEBITS	$579,381,348	$679,484	$583,508,768
LIABILITIES AND OTHER CREDITS			
COMMON CAPITAL STOCK	$158,834,373	$ 2,400	$159,005,374
PREFERRED STOCK	25,000,000	-	25,000,000
OTHER PAID-IN CAPITAL	-	352,405	400,793
CAPITAL STOCK DISCOUNT AND EXPENSE - DEBIT	441,156	-	447,556
REACQUIRED CAPITAL STOCK	-	-	-
INSTALLMENTS RECEIVED ON CAPITAL STOCK	65,651	-	65,651
EARNED SURPLUS	55,494,904	(589,493)	55,224,999
SUB-TOTAL	238,953,772	(234,688)	239,249,261
LONG-TERM DEBT	294,558,000	363,500	295,686,648
DEBT DISCOUNT & EXPENSE - DEBIT	1,894,785	-	1,894,785
PREMIUM ON LONG-TERM DEBT	804,690	-	804,690
TOTAL CAPITALIZATION	532,421,677	128,812	533,845,814
CURRENT AND ACCRUED LIABILITIES	35,528,870	90,423	35,916,234
DEFERRED CREDITS AND OPERATING RESERVES	11,430,801	-	11,436,581
CONTRIBUTIONS IN AID OF CONSTRUCTION - WATER	-	460,249	2,310,139
TOTAL LIABILITIES AND OTHER CREDITS	$579,381,348	$679,484	$563,508,768
BALANCE SHEET RATIOS			
DEBT RATIO (NET LONG-TERM DEBT TO TOTAL CAPITAL)(%)	55.12%	282.19%	55.18%
ACCUM. PROV. FOR DEPR. & AMORT. TO UTIL. PLNT. IN SERVICE (%)	28.55	13.01	26.81

CLASSES A, B AND C WATER UTILITIES - STATE OF WASHINGTON
UTILITY PLANT IN SERVICE AND NET OPERATING INCOME STATEMENT
YEAR 1978

	THE WASHINGTON WATER POWER COMPANY	WEST PASCO WATER SYSTEM, INC.	TOTAL CLASSES A, B & C WATER UTILITIES
FINANCIAL DATA			
UTILITY PLANT IN SERVICE (WATER ONLY) - END OF YEAR			
NON-DEPRECIABLE	$ 110,717	$ 15,558	$ 860,125
DEPRECIABLE	11,586,978	721,791	15,624,735
TOTAL UTILITY PLANT IN SERVICE	$11,697,695	$737,349	$16,484,860
NET OPERATING INCOME STATEMENT			
WATER OPERATING REVENUES			
UNMETERED SALES TO GENERAL CUSTOMERS	$ -	$ -	$ 223,394
METERED SALES TO GENERAL CUSTOMERS	1,008,321	52,603	1,577,542
OTHER SALES OF WATER	180	50	17,570
OTHER OPERATING REVENUES	3,149	1,147	14,270
TOTAL OPERATING REVENUES	1,011,650	53,800	1,832,776
WATER OPERATION AND MAINTENANCE EXPENSES			
SOURCE OF SUPPLY	24,345	10,178	98,720
PUMPING	201,062	2,014	258,833
WATER TREATMENT	30,286	-	40,087
TRANSMISSION AND DISTRIBUTION	183,006	6,476	260,660
CUSTOMER ACCOUNTS	134,472	-	193,463
SALES	-	-	3,441
ADMINISTRATIVE AND GENERAL	86,401	46,752	462,671
TOTAL OPERATION AND MAINTENANCE	659,572	65,420	1,317,875
OTHER DEDUCTIONS FROM WATER REVENUES			
DEPRECIATION	201,648	12,534	283,525
AMORTIZATION	-	10	10
TAXES	24,109	11,032	136,109
TOTAL DEDUCTIONS FROM WATER REVENUES	885,329	88,996	1,737,519
NET OPERATING INCOME	$ 126,321	($ 35,196)	$ 95,257

CLASSES A, B AND C WATER UTILITIES - STATE OF WASHINGTON
PLANT STATISTICS AND FINANCIAL AND PLANT RATIOS
YEAR 1978

	THE WASHINGTON WATER POWER COMPANY	WEST PASCO WATER SYSTEM, INC.	TOTAL CLASSES A, B & C WATER UTILITIES
PLANT STATISTICS - END OF YEAR			
SOURCE OF SUPPLY	RIVER, WELLS & PURCHASED WATER	WELLS	-
CAPACITY OF RESERVOIRS & TANKS - GALLONS	28,090,000	70,000	30,250,262
CAPACITY OF PUMPS (GPM)	51,670	2,030	68,349
NUMBER OF EMPLOYEES	16	5	78
NUMBER OF CUSTOMERS - METERED	11,367	491	17,496
- FLAT RATE	-	-	1,438
TOTAL CUSTOMERS	11,367	491	18,934
MAINS - TRANSMISSION & DISTRIBUTION (LENGTH IN FEET)			
WOOD	10,426	-	31,384
IRON	75,123	-	90,768
STEEL	722,573	-	931,977
ASBESTOS - CEMENT	336,390	47,700	609,626
PLASTIC	23,607	49,900	466,413
TOTAL MAINS	1,168,119	97,600	2,130,168
TYPE OF PURIFICATION	CHLORINATION	CHLORINE SOLUTION PUMP FEEDERS	-
PRESSURE RANGE - PSI	30-120	48-58	-
FINANCIAL AND PLANT COMPARISONS - WATER DIVISION			
PERCENT OF OPERATING REVENUES:			
TOTAL UTILITY PLANT IN SERVICE	1,156.30%	1,370.54%	899.45%
OPERATION AND MAINTENANCE EXPENSES	65.20	121.60	71.90
DEPRECIATION AND AMORTIZATION EXPENSE	19.93	23.32	15.47
TAXES	2.38	20.50	7.43
TOTAL DEDUCTIONS	87.51	165.42	94.80
NET OPERATING INCOME	12.49	(65.42)	5.20
TOTAL UTILITY PLANT PER CUSTOMER	$1,029.00	$1,502.00	$871.00
% NON-DEPRECIABLE PLANT OF TOTAL UTILITY PLANT	0.95%	2.11%	5.22%
% DEPRE. EXPENSE OF TOTAL DEPRECIABLE UTIL. PLANT	1.74	1.74	1.81
PERCENT OF CUSTOMERS METERED	100.00%	100.00%	92.41%
OPERATING REVENUE PER CUSTOMER	$ 89.00	$ 110.00	$ 97.00
FIELD OF OPERATIONS	SPOKANE, CLARKSTON & VCY.	WEST PASCO FRANKLIN COUNTY	-

CLASS D WATER UTILITIES WITH REVENUES $5,000 AND OVER
FINANCIAL DATA AND NET OPERATING INCOME
1978

	ALDERWOOD ESTATES WATER, INC.	BASIN WATER SOURCES, INC.(1)	BOSTON HARBOR WATER SYSTEMS CORPORATION	BURTON WATER COMPANY	CRESCENT PARK WATER COMPANY(2)	DAWN PARK WATER, INC.
FINANCIAL DATA						
UTILITY PLANT (WATER ONLY) END OF YEAR						
NON-DEPRECIABLE	$ 8,500	$ 600	$ 3,559	$ 4,916	$ 1,895	$ 11,200
DEPRECIABLE	128,259	94,158	67,820	79,665	194,986	122,150
TOTAL UTILITY PLANT IN SERVICE	136,759	94,758	71,379	84,581	196,881	133,350
RESERCE FOR DEPRECIATION	48,106	41,029	5,095	25,801	28,266	14,639
NET UTILITY PLANT IN SERVICE	$ 88,653	$ 53,729	$ 66,284	$ 58,780	$168,615	$118,711
MATERIALS AND SUPPLIES (END OF YEAR)	$ -	$ -	$ 590	$ 300	$ -	$ 300
CONTRIBUTIONS IN AID OF CONSTRUCTION (END OF YEAR)	$ 26,700	$ 10,237	$ 6,225	$ 4,049	$131,610	$ 1,600
NET OPERATING INCOME						
OPERATING REVENUES						
UNMETERED SALES TO GENERAL CUSTOMERS	$ 10,314	$ 30,647	$ 5,838	$ 4,704	$ 29,067	$ 12,960
METERED SALES TO GENERAL CUSTOMERS	-	-	15,109	12,796	-	-
OTHER SALES OF WATER	-	-	-	-	-	(420)
OTHER OPERATING REVENUES	-	-	-	-	325	-
TOTAL OPERATING REVENUES	10,314	30,647	20,947	17,500	29,392	12,540
DEDUCTIONS FROM REVENUES						
OPERATING AND MAINTENANCE EXPENSES	5,869	21,871	18,300	10,596	18,024	10,655
DEPRECIATION	4,419	2,885	2,270	3,078	3,763	2,489
AMORTIZATION	-	-	-	-	-	-
TAXES	-	2,728	1,763	1,620	4,162	541
TOTAL DEDUCTIONS FROM WATER REVENUES	10,288	27,484	22,333	15,294	25,949	13,685
NET OPERATING INCOME	$ 26	$ 3,163	($ 1,386)	$ 2,206	$ 3,443	($ 1,145)

(1) 3RD YEAR OVER $25,000 ANNUAL GROSS REVENUE
(2) 1ST YEAR OVER $25,000 ANNUAL GROSS REVENUE

CLASS D WATER UTILITIES WITH REVENUES $5,000 AND OVER
STATISTICS AND STATISTICAL RATIOS
1978

	ALDERWOOD ESTATES WATER, INC.	BASIN WATER SOURCES, INC.	BOSTON HARBOR WATER SYSTEMS CORPORATION	BURTON WATER COMPANY	CRESCENT PARK WATER COMPANY	DAWN PARK WATER, INC.
STATISTICS - END OF YEAR						
SOURCE OF SUPPLY	WELLS & PURCHASED WATER	WELLS	WELLS & SPRINGS	WELLS	WELLS	WELLS
CAPACITY OF RESERVOIRS AND TANKS - GALLONS	70,000	9,000	130,000	77,800	28,000	150,000
CAPACITY OF PUMPS (GPM)	140	1,240	200	160	1,580	300
NUMBER OF EMPLOYEES	1	1	2	2	1	2
NUMBER OF CUSTOMERS - METERED	-	-	123	230	-	-
- FLAT RATE	149	266	51	98	308	108
TOTAL CUSTOMERS	149	266	174	328	308	108
MAINS - TRANSMISSION & DISTRIBUTION (LENGTH IN FEET)						
WOOD	-	-	700	300	-	-
IRON	-	-	-	31,037	-	-
STEEL	15,650	9,400	1,550	2,854	-	5,400
ASBESTOS - CEMENT	335	2,645	-	4,360	32,775	-
PLASTIC	2,600	-	13,725	15,380	-	
TOTAL MAINS (FEET)	18,585	12,045	15,975	53,931	32,775	5,400
TYPE OF PURIFICATION	NONE	NONE	CHLORINE	CHLORINATION	NONE	NONE
PRESSURE RANGE	25-42	38-52	25-65	20-100	40-60	22-45
FIELD OF OPERATIONS	PIERCE COUNTY	VICINITY OF MOSES LAKE	BOSTON HARBOR	BURTON	SPANAWAY	SILVERDALE
STATISTICAL COMPARISONS						
PERCENT OF OPERATING REVENUE:						
OPERATING AND MAINTENANCE EXPENSES	56.90%	71.37%	87.36%	60.55%	61.32%	84.97%
DEPRECIATION AND AMORTIZATION EXPENSE	42.85	9.41	10.84	17.59	12.80	19.85
TAXES	-	8.90	8.42	9.25	14.16	4.31
TOTAL DEDUCTIONS	99.75	89.68	106.62	87.39	88.28	109.13
NET OPERATING INCOME	0.25	10.32	(6.62)	12.61	11.72	(9.13)
TOTAL UTILITY PLANT PER CUSTOMER	$918.00	$356.00	$410.00	$258.00	$639.00	$1,235.00
% NON-DEPRECIABLE PLANT OF TOTAL UTILITY PLANT	6.22%	0.63%	4.99%	5.81%	0.96%	8.40%
% DEPRECIATION EXPENSE OF TOTAL DEPRECIABLE UTILITY PLANT	3.45	3.06	3.35	3.86	1.93	2.04
PERCENT OF CUSTOMERS METERED	-	-	70.69%	70.12%	-	-
OPERATING REVENUES PER CUSTOMER	$ 69.00	$115.00	$120.00	$ 53.00	$ 95.00	$ 116.00

CLASS D WATER UTILITIES WITH REVENUES $5,000 AND OVER
FINANCIAL DATA AND NET OPERATING INCOME
1978

	DIAMOND POINT WATER COMPANY	DISHMAN WATER COMPANY, INC.	ELDORADO UTILITIES COMPANY	EL RANCHO REATA WATER COMPANY, INC.	EVERGREEN LAND & WATER, INC.	FIR MEADOWS WATER COMPANY, INC.
FINANCIAL DATA						
UTILITY PLANT (WATER ONLY) END OF YEAR						
NON-DEPRECIABLE	$ -	$ 2,727	$ -	$ 829	$ 1,440	$ -
DEPRECIABLE	66,092	47,161	48,801	629,614	54,821	28,292
TOTAL UTILITY PLANT IN SERVICE	66,092	49,888	48,801	630,443	56,261	28,292
RESERVE FOR DEPRECIATION	15,031	31,102	21,249	17,898	34,218	4,734
NET UTILITY PLANT IN SERVICE	$ 51,061	$ 18,786	$ 27,552	$612,545	$ 22,043	$ 23,558
MATERIALS AND SUPPLIES (END OF YEAR)	$ -	$ -	$ -	$ -	$ -	$ -
CONTRIBUTIONS IN AID OF CONSTRUCTION (END OF YEAR)	$ 12,515	$ -	$ -	$ -	$ 3,445	$ 9,285
NET OPERATING INCOME						
OPERATING REVENUES						
UNMETERED SALES TO GENERAL CUSTOMERS	$ -	$ 9,740	$ 7,446	$ 15,455	$ 3,582	$ -
METERED SALES TO GENERAL CUSTOMERS	11,374	2,799	-	-	9,750	19,440
OTHER SALES OF WATER	-	-	-	-	-	-
OTHER OPERATING REVENUES	120	-	5,817	3,868	-	-
TOTAL OPERATING REVENUES	11,494	12,539	13,263	19,323	13,332	19,440
DEDUCTIONS FROM REVENUES						
OPERATING AND MAINTENANCE EXPENSES	4,387	10,275	6,812	19,199	10,649	12,979
DEPRECIATION	2,684	1,488	1,785	17,898	1,752	1,287
AMORTIZATION	-	-	-	-	274	-
TAXES	767	1,485	409	810	1,214	685
TOTAL DEDUCTIONS FROM WATER REVENUES	7,838	13,248	9,006	37,907	13,889	14,951
NET OPERATING INCOME	$ 3,656	($ 709)	$ 4,257	($ 18,584)	($ 557)	$ 4,489

CLASS D WATER UTILITIES WITH REVENUES $5,000 AND OVER
STATISTICS AND STATISTICAL RATIOS
1978

	DIAMOND POINT WATER COMPANY	DISHMAN WATER COMPANY, INC.	ELDORADO UTILITIES COMPANY	EL RANCHO REATA WATER COMPANY, INC.	EVERGREEN LAND & WATER, INC.	FIR MEADOWS WATER COMPANY, INC.
STATISTICS - END OF YEAR						
SOURCE OF SUPPLY	WELLS	WELLS	WELLS	WELLS	WELLS	WELLS
CAPACITY OF RESERVOIRS AND TANKS - GALLONS	125,000	80,000	25,000	284,000	10,000	82,000
CAPACITY OF PUMPS (GPM)	90	600	17	650	90	320
NUMBER OF EMPLOYEES	2	1	3	1	2	3
NUMBER OF CUSTOMERS - METERED	90	12	-	-	110	190
- FLAT RATE	-	103	76	118	30	-
TOTAL CUSTOMERS	90	115	76	118	140	190
MAINS - TRANSMISSION & DISTRIBUTION (LENGTH IN FEET)						
WOOD	-	-	-	-	-	-
IRON	-	-	-	-	-	-
STEEL	-	11,174	1,000	-	7,150	-
ASBESTOS - CEMENT	4,600	-	3,000	34,085	-	-
PLASTIC	18,750	-	-	-	10,000	15,000
TOTAL MAINS (FEET)	23,350	11,774	4,000	34,085	17,150	15,000
TYPE OF PURIFICATION	NONE	NONE	NONE	NONE	CHLORINATION	NONE
PRESSURE RANGE - PSI	25-100	30-45	60-200	36-90	30-85	25-45
FIELD OF OPERATIONS	POULSBO	DISHMAN	BREMERTON	BENTON COUNTY	HOODSPORT	PIERCE COUNTY
STATISTICAL COMPARISONS						
PERCENT OF OPERATING REVENUE:						
OPERATING AND MAINTENANCE EXPENSES	38.17%	81.94%	51.36%	99.36%	79.87%	66.77%
DEPRECIATION AND AMORTIZATION EXPENSE	23.35	11.87	13.46	92.62	15.20	6.62
TAXES	6.67	11.84	3.08	4.19	9.11	3.52
TOTAL DEDUCTIONS	68.19	105.65	67.90	196.17	104.18	76.91
NET OPERATING INCOME	31.81	(5.65)	32.10	(96.17)	(4.18)	23.09
TOTAL UTILITY PLANT PER CUSTOMER	$734.00	$434.00	$642.00	$5,343.00	$402.00	$149.00
% NON-DEPRECIABLE PLANT OF TOTAL UTILITY PLANT	-	5.47%	-	0.13%	2.56%	-
% DEPRECIATION EXPENSE OF TOTAL DEPRECIABLE UTILITY PLANT	4.06%	3.16	3.66%	2.84	3.20	4.55%
PERCENT OF CUSTOMERS METERED	100.00%	10.43%	-	-	78.57%	100.00%
OPERATING REVENUES PER CUSTOMER	$128.00	$109.00	$175.00	$164.00	$ 95.00	$102.00

CLASS D WATER UTILITIES WITH REVENUES $5,000 AND OVER
FINANCIAL DATA AND NET OPERATING INCOME
1978

	FROG POND WATERS, INC.	ISLAND LAKE WATER COMPANY	LIBERTY LAKE UTILITIES CO. (1)	MARVIN ROAD WATER COMPANY	MIRRORMONT SERVICES, INC. (2)	PACKWOOD WATER COMPANY, INC.
FINANCIAL DATA						
UTILITY PLANT (WATER ONLY) END OF YEAR						
NON-DEPRECIABLE	$ 11,443	$ 2,350	$ 4,540	$ 6,200	$ 28,353	$ 1,918
DEPRECIABLE	142,164	24,922	151,744	59,892	468,897	121,662
TOTAL UTILITY PLANT IN SERVICE	153,607	27,272	156,284	66,092	497,250	123,580
RESERVE FOR DEPRECIATION	21,372	6,652	67,196	14,983	106,110	67,246
NET UTILITY PLANT IN SERVICE	$132,235	$ 20,620	$ 89,088	$ 51,109	$391,140	$ 56,334
MATERIALS AND SUPPLIES (END OF YEAR)	$ -	$ -	$ 1,500	$ -	$ -	$ -
CONTRIBUTIONS IN AID OF CONSTRUCTION (END OF YEAR)	$ 5,850	$ 2,890	$ 8,850	$ 3,633	$128,350	$ 10,086
NET OPERATING INCOME						
OPERATING REVENUES						
UNMETERED SALES TO GENERAL CUSTOMERS	$ 13,811	$ 6,780	$ 4,836	$ 4,426	$ 976	$ 21,109
METERED SALES TO GENERAL CUSTOMERS	-	-	23,612	4,001	43,893	-
OTHER SALES OF WATER	-	-	36,726	-	-	-
OTHER OPERATING REVENUES	-	-	-	35	-	-
TOTAL OPERATING REVENUES	13,811	6,780	65,174	8,462	44,869	21,109
DEDUCTIONS FROM REVENUES						
OPERATING AND MAINTENANCE EXPENSES	11,687	2,501	31,336	7,954	19,077	15,349
DEPRECIATION	3,152	862	7,150	2,796	9,672	2,261
AMORTIZATION	213	-	-	-	-	-
TAXES	887	302	6,342	-	2,885	2,271
TOTAL DEDUCTIONS FROM WATER REVENUES	15,939	3,665	44,828	10,750	31,634	19,881
NET OPERATING INCOME	($ 2,128)	$ 3,115	$ 20,346	($ 2,288)	$ 13,235	$ 1,228

(1) 1ST YEAR OVER $50,000 ANNUAL GROSS REVENUE
(2) 2ND YEAR OVER $25,000 ANNUAL GROSS REVENUE

CLASS D WATER UTILITIES WITH REVENUES $5,000 AND OVER
STATISTICS AND STATISTICAL RATIOS
1978

	FROG POND WATERS, INC.	ISLAND LAKE WATER COMPANY	LIBERTY LAKE UTILITIES CO.	MARVIN ROAD WATER COMPANY	MIRRORMONT SERVICES, INC.	PACKWOOD WATER COMPANY, INC.
STATISTICS - END OF YEAR						
SOURCE OF SUPPLY	WELLS	WELLS	WELLS	WELLS	WELLS & SPRINGS	SPRINGS
CAPACITY OF RESERVOIRS AND TANKS - GALLONS	132,000	10,000	75,279	2,600	332,000	52,500
CAPACITY OF PUMPS (GPM)	255	75	3,000	190	275	-
NUMBER OF EMPLOYEES	1	2	2	2	-	6
NUMBER OF CUSTOMERS - METERED	-	-	296	69	457	-
- FLAT RATE	150	82	121	67	11	174
TOTAL CUSTOMERS	150	82	417	136	468	174
MAINS - TRANSMISSION AND DISTRIBUTION (LENGTH IN FEET)						
WOOD	-	3,175	-	-	-	8,759
IRON	-	-	9,542	-	-	-
STEEL	800	550	24,464	-	-	3,110
ASBESTOS-CEMENT	19,200	1,668	-	2,078	81,250	18,368
PLASTIC	12,500	6,210	6,200	11,225	4,000	-
TOTAL MAINS (FEET)	32,500	11,603	40,206	13,303	85,250	30,237
TYPE OF PURIFICATION	NONE	NONE	CHLORINATION	NONE	NONE	CHLORINATION
PRESSURE RANGE	50-76	20-100	35-85	35-75	30-172	60-84
FIELD OF OPERATIONS	VCY. OF LAKE WM. SYMINGTON	VCY. OF POULSBO	LIBERTY LAKE	OLYMPIA	VCY. OF ISSAQUAH	PACKWOOD
STATISTICAL COMPARISONS						
PERCENT OF OPERATING REVENUES:						
OPERATING AND MAINTENANCE EXPENSES	84.62%	36.89%	48.08%	94.00%	42.52%	72.71%
DEPRECIATION AND AMORTIZATION EXPENSES	24.37	12.71	10.97	33.04	21.55	10.71
TAXES	6.42	4.46	9.73	-	6.43	10.76
TOTAL DEDUCTIONS	115.41	54.06	68.78	127.04	70.50	94.18
NET OPERATING INCOME	(15.41)	45.94	31.22	(27.04)	29.50	5.82
TOTAL UTILITY PLANT PER CUSTOMER	$1,024.00	$333.00	$375.00	$486.00	$1,062.00	$710.00
% NON-DEPRECIABLE PLANT OF TOTAL UTILITY PLANT	7.45%	8.62%	2.90%	9.38%	5.70%	1.55%
% DEPRECIATION EXPENSE OF TOTAL DEPRECIABLE UTILITY PLANT	2.22	3.46	4.71	4.67	2.06	1.86
% CUSTOMERS METERED	-	-	70.98%	50.74%	97.65%	-
OPERATING REVENUES PER CUSTOMER	$ 92.00	$ 83.00	$156.00	$ 62.00	$ 96.00	$121.00

CLASS D WATER UTILITIES WITH REVENUES $5,000 AND OVER
FINANCIAL DATA AND NET OPERATING INCOME
1978

	SARATOGA WATER, INC. (1)	SOLMAR WATER COMPANY	SOUTH BAINBRIDGE WATER SYSTEM	STROH WATER CO.	WOODSMUIR WATER CORPORATION(2)	TOTAL CLASS D WATER UTILITIES REVENUES $5,000 AND OVER
FINANCIAL DATA						
UTILITY PLANT (WATER ONLY) END OF YEAR						
NON-DEPRECIABLE	$ -	$ 27,650	$ 5,000	$ 21,000	$ 139	$ 144,259
DEPRECIABLE	-	71,344	33,700	110,161	80,171	2,826,476
TOTAL UTILITY PLANT IN SERVICE	-	98,994	38,700	131,161	80,310	2,970,735
RESERVE FOR DEPRECIATION	-	4,770	6,297	12,556	20,593	614,943
NET UTILITY PLANT IN SERVICE	$ -	$ 94,224	$ 32,403	$118,605	$ 59,717	$2,355,792
MATERIALS AND SUPPLIES (END OF YEAR)	$ -	$ -	$ -	$ -	$ -	$ 2,690
CONTRIBUTIONS IN AID OF CONSTRUCTION (END OF YEAR)	$ -	$ 46,971	$ 916	$ 50,009	$ 3,200	$ 466,421
NET OPERATING INCOME						
OPERATING REVENUES						
UNMETERED SALES TO GENERAL CUSTOMERS	$ -	$ 14,680	$ -	$ -	$ -	$ 196,371
METERED SALES TO GENERAL CUSTOMERS	13,633	-	12,811	19,081	26,313	214,612
OTHER SALES OF WATER	-	-	-	-	-	36,306
OTHER OPERATING REVENUES	-	-	-	-	-	10,165
TOTAL OPERATING REVENUES	13,633	14,680	12,811	19,081	26,313	457,454
DEDUCTIONS FROM REVENUES						
OPERATING AND MAINTENANCE EXPENSES	14,258	2,617	13,075	9,990	22,794	300,254
DEPRECIATION	-	-	1,294	4,204	4,120	81,309
AMORTIZATION	-	-	-	-	12	499
TAXES	281	518	(2,750)	-	4,276	31,196
TOTAL DEDUCTIONS FROM WATER REVENUES	14,539	3,135	11,619	14,194	31,202	413,258
NET OPERATING INCOME	($ 906)	$ 11,545	$ 1,192	$ 4,887	($ 4,889)	$ 44,196

(1) INFORMATION SUPPLIED BY COMPANY WAS INCOMPLETE
(2) 1ST YEAR OVER $25,000 ANNUAL GROSS REVENUE

CLASS D WATER UTILITIES WITH REVENUES $5,000 AND OVER
STATISTICS AND STATISTICAL RATIOS
1978

	SARATOGA WATER, INC. (1)	SOLMAR WATER COMPANY	SOUTH BAINBRIDGE WATER SYSTEM	STROH WATER CO.	WOODSMUIR WATER CORPORATION	TOTAL CLASS D WATER UTILITIES REVENUES $5,000 AND OVER
STATISTICS - END OF YEAR						
SOURCE OF SUPPLY	WELLS	WELLS	WELLS & SPRINGS	WELLS	WELLS	-
CAPACITY OF RESERVOIRS AND TANKS - GALLONS	30,000	70,000	6,100,000	44,000	7,600	7,926,779
CAPACITY OF PUMPS (GPM)	30	150	800	480	750	11,392
NUMBER OF EMPLOYEES	-	1	1	2	1	39
NUMBER OF CUSTOMERS - METERED	120	-	80	167	383	2,327
- FLAT RATE	-	165	-	-	-	2,077
TOTAL CUSTOMERS	120	165	80	167	383	4,404
MAINS - TRANSMISSION AND DISTRIBUTION (LENGTH IN FEET)						
WOOD	-	-	400	-	-	13,334
IRON	-	-	15,500	-	-	56,079
STEEL	-	-	-	-	-	83,702
ASBESTOS-CEMENT	-	-	13,900	-	-	218,264
PLASTIC	-	16,800	4,550	34,500	23,800	195,240
TOTAL MAINS (FEET)	-	16,800	34,350	34,500	23,800	566,619
TYPE OF PURIFICATION	NONE	NONE	CHLORINATION	NONE	NONE	-
PRESSURE RANGE	0-98	25-80	30-105	65-135	40-60	-
FIELD OF OPERATIONS	ISLAND COUNTY	CLALLAM COUNTY	BAINBRIDGE ISLAND	VCY. OF GIG HARBOR	THURSTON COUNTY	-
STATISTICAL COMPARISONS						
PERCENT OF OPERATING REVENUES:						
OPERATING AND MAINTENANCE EXPENSES	104.59$	17.83$	102.06$	52.36$	86.63$	65.64$
DEPRECIATION AND AMORTIZATION EXPENSES	-	-	10.10	22.03	15.70	17.88
TAXES	2.06	3.53	(21.46)	-	16.25	6.82
TOTAL DEDUCTIONS	106.65	21.36	90.70	74.39	118.58	90.34
NET OPERATING INCOME	(6.65)	78.64	9.30	25.61	(18.58)	9.66
TOTAL UTILITY PLANT PER CUSTOMER	$ -	$600.00	$484.00	$785.00	$210.00	$675.00
$ NON-DEPRECIABLE PLANT OF TOTAL UTILITY PLANT	-	27.93$	12.92$	16.01$	0.17$	4.86$
$ DEPRECIATION EXPENSE OF TOTAL DEPRECIABLE UTILITY PLANT	-	-	3.84	3.82	5.14	2.88
$ OF CUSTOMERS METERED	100.00$	-	100.00$	100.00$	100.00$	52.84$
OPERATING REVENUES PER CUSTOMER	$114.00	$ 89.00	$160.00	$114.00	$ 69.00	$104.00

(1) INFORMATION SUPPLIED BY COMPANY WAS INCOMPLETE

CLASS D WATER UTILITIES - 1978
WITH LESS THAN $5,000 GROSS OPERATING REVENUE

	NUMBER OF CUSTOMERS AT END OF YEAR	GROSS OPERATING REVENUE BILLED	AVERAGE REVENUE PER END OF YEAR CUSTOMER	NEW DEBT ISSUED DURING YEAR
A.D.S. CO	30	$ 4,227	$141	$ -
BEACHCREST WATER SYSTEM (1)	79	7,094	90	-
DEMING WATER WORKS	65	4,964	76	28
ELLENWOOD WATER COMPANY	29	3,562	123	-
EVERGREEN HOMES WATER COMPANY, INC.	24	2,304	96	-
INDEPENDENT WATER COMPANY	24	3,354	140	-
OAK PARK WATER COMPANY, INC., THE (1)	76	6,324	83	-
RAFT ISLAND WATER COMPANY	97	4,800	49	-
WESTBOURNE ACRES WATER CORPORATION	12	975	81	-
	436	$37,604	$ 86 (2)	$ 28

(1) 1ST YEAR OVER $5,000 GROSS REVENUE
(2) WEIGHTED AVERAGE

58450-1.3

STATISTICS

OF

TELEPHONE COMPANIES

1978

PREPARED BY UTILITY ACCOUNTING SECTION OF THE
FINANCE AND ACCOUNTS DIVISION

**WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

OLYMPIA, WASHINGTON

****

STATISTICS

OF

TELEPHONE COMPANIES

****

1978

PREPARED BY FINANCE AND ACCOUNTS DIVISION
Utility Accounting Section

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
Olympia, Washington
98504

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TELEPHONE COMPANIES
IN THE STATE OF WASHINGTON
1978

The statistics presented herein include schedules covering operations for Class A Telephone Companies (gross operating revenues exceeding $100,000) and Class B Companies ($100,000 or less).

The material used in this report is from the annual reports of companies reporting telephone operations in the State of Washington.

Chart 1 shows the dollar distribution and Chart II, the percentage distribution of total operating revenues between operating income, depreciation expenses, taxes, and operating expense.

Table I is a summarized Total Company Balance Sheet, comparing the years 1977 and 1978.

Tables II and III show income analysis, plant, basic plant data, and derived statistics, with comparisons to the previous year. Table II of the 1977 Statistics portrayed the 1977 State of Washington operations for General Telephone Company of the Northwest, Inc., on a direct basis rather than on a direct and allocated basis as presented herein.

CHART I
DOLLAR DISTRIBUTION - TOTAL OPERATING REVENUES
TELEPHONE COMPANIES - STATE OF WASHINGTON
1973 - 1978

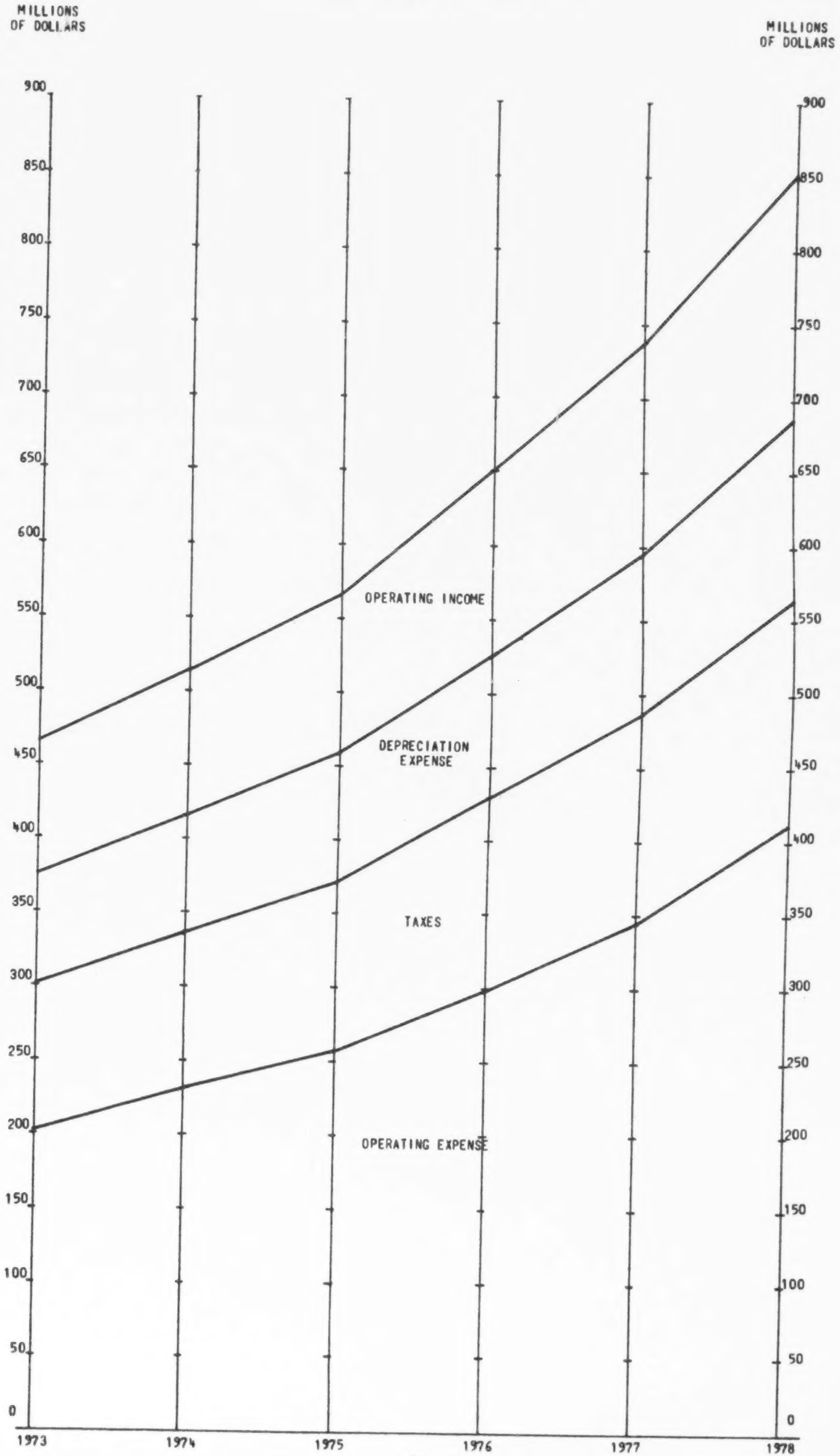

CHART 2
PERCENTAGE DISTRIBUTION - TOTAL OPERATING REVENUES
TELEPHONE COMPANIES - STATE OF WASHINGTON
1973-1978

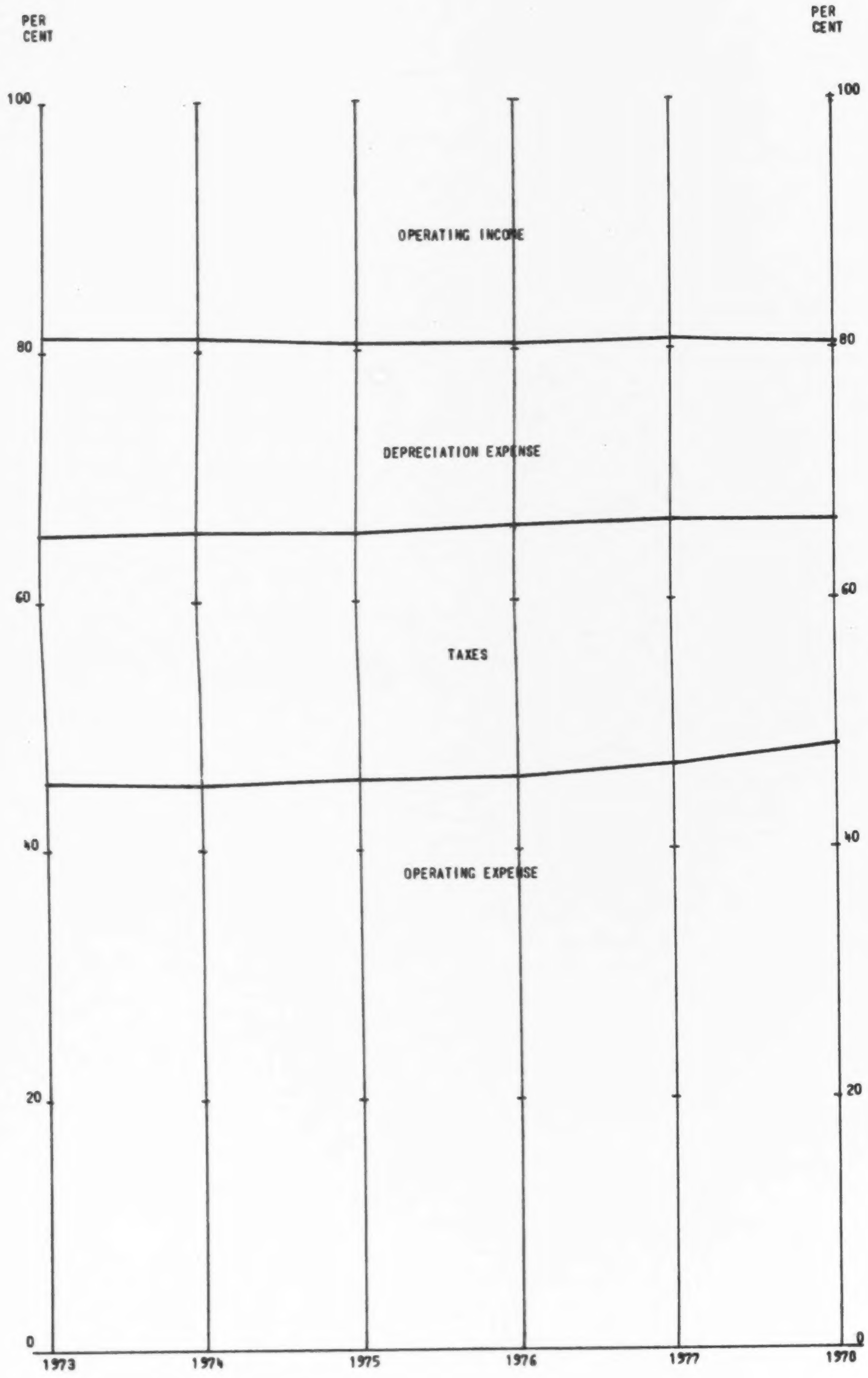

TABLE I
WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
1978 AND 1977

	1978	1977	PERCENT INCREASE (DECREASE) 1978 OVER 1977
ASSETS AND OTHER DEBITS			
TELEPHONE PLANT			
100.1 TELEPHONE PLANT IN SERVICE	$ 3,973,558,669	$ 3,474,517,449	14.36 %
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	193,915,788	107,529,120	80.34
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	4,585,949	2,316,687	97.95
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	172,795	228,703	(24.45)
SUBTOTAL	4,172,233,203	3,584,591,961	16.39
LESS : 171 DEPRECIATION RESERVE	787,198,743	708,655,463	11.08
172 AMORTIZATION RESERVE	3,516	3,493	.66
LESS RESERVES	3,385,030,944	2,875,933,005	17.70
TOTAL NET TELEPHONE PLANT	3,385,030,944	2,875,933,005	17.70
INVESTMENTS AND FUNDS			
101.1 INVESTMENTS IN AFFILIATED COMPANIES	4,580,102	4,412,586	3.80
101.2 ADVANCES TO AFFILIATED COMPANIES	45	-	-
102 OTHER INVESTMENTS	1,170,730	1,028,407	13.84
103 MISCELLANEOUS PHYSICAL PROPERTY	2,942,303	1,405,675	109.32
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	2,955	1,205	145.23
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	4,250	3,784	12.32
TOTAL	8,700,385	6,851,658	26.98
CURRENT ASSETS			
113 CASH	7,329,590	7,919,407	(7.45)
114 SPECIAL CASH DEPOSITS	233,378	193,994	20.30
115 WORKING FUNDS	1,310,195	733,818	78.54
116 TEMPORARY CASH INVESTMENTS	647,158	3,793,518	(82.94)
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	1,315,000	600,000	119.17
118 DUE FROM CUSTOMERS AND AGENTS	161,220,299	143,499,258	12.35
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	4,387,997	4,394,209	(.14)
120.2 OTHER ACCOUNTS RECEIVABLE	32,354,621	25,145,760	28.67
121 INTEREST AND DIVIDENDS RECEIVABLE	803	19,754	(95.94)
122 MATERIAL AND SUPPLIES	36,148,052	28,022,302	29.00
123 OTHER CURRENT ASSETS	433,920	309,902	40.02
TOTAL	245,381,011	214,631,920	14.33
PREPAID ACCOUNTS & DEFERRED CHARGES			
129 PREPAID RENTS	982,230	224,145	338.21
130 PREPAID TAXES	261,375	313,925	(16.74)
131 PREPAID INSURANCE	537,116	515,794	4.13
132 PREPAID DIRECTORY EXPENSES	19,473,878	17,559,443	10.90
133 OTHER PREPAYMENTS	1,094,720	954,262	14.72
135 DISCOUNT ON LONG-TERM DEBT	7,661,873	6,130,378	24.98
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	8,400	9,600	(12.50)
139 OTHER DEFERRED CHARGES	9,934,429	11,815,691	(15.92)
TOTAL	39,954,021	37,523,236	6.48
TOTAL ASSETS & OTHER DEBITS	$ 3,679,066,363	$ 3,134,939,820	17.36 %

TABLE I (CONTINUED)
WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
1978 AND 1977

	1978	1977	PERCENT INCREASE (DECREASE) 1978 OVER 1977
LIABILITIES AND OTHER CREDITS			
STOCKHOLDERS' EQUITY			
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 791,978,831	$ 759,860,704	4.23 %
152 PREMIUM ON CAPITAL STOCK	81,460,547	80,113,745	1.68
179 OTHER CAPITAL	11,738,640	11,683,777	.47
180 RETAINED EARNINGS RESERVED	13,721,198	8,372,155	63.89
181 UNAPPROPRIATED RETAINED EARNINGS	498,941,364	424,243,316	17.61
SUBTOTAL	1,397,840,580	1,284,273,696	8.84
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	5,000	5,000	-
134.2 CAPITAL STOCK EXPENSE	158,176	88,476	78.78
TOTAL NET STOCKHOLDERS' EQUITY	1,397,677,404	1,284,180,220	8.84
LONG-TERM DEBT			
154.1 FUNDED DEBT	1,246,343,113	1,025,240,386	21.57
156 ADVANCES FROM AFFILIATED COMPANIES	100,000,000	12,000,000	733.33
157 OTHER LONG-TERM DEBT	237,137	286,594	(17.26)
TOTAL	1,346,580,250	1,037,526,980	29.79
CURRENT AND ACCRUED LIABILITIES			
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	2,000,000	-	-
158.2 OTHER NOTES PAYABLE	162,867,283	191,851,801	(15.11)
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	49,721,418	42,486,191	17.03
159.2 OTHER ACCOUNTS PAYABLE	125,890,820	103,816,293	21.26
160 CUSTOMERS' DEPOSITS	5,732,131	4,387,488	30.65
162 MATURED INTEREST AND DIVIDENDS	1,870,018	2,009,471	(6.94)
163 MATURED LONG-TERM DEBT	-	8,544	(100.00)
164 ADVANCE BILLING AND PAYMENTS	28,214,948	25,323,281	11.42
165 OTHER CURRENT LIABILITIES	6,268,057	4,870,936	28.68
166 TAXES ACCRUED	64,847,562	64,062,297	1.23
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	28,380,959	18,924,729	49.97
TOTAL	475,793,199	457,741,035	3.94
DEFERRED CREDITS AND OPERATING RESERVES			
168 PREMIUM ON LONG-TERM DEBT	1,048,071	1,091,743	(4.00)
169 INSURANCE RESERVE	-	-	-
170 PROVIDENT RESERVES	2,669,365	1,716,320	55.53
174 OTHER DEFERRED CREDITS	168,177,369	126,112,496	33.36
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	280,813,252	221,220,655	26.94
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	6,307,452	5,350,371	17.89
TOTAL	459,015,511	355,491,585	29.12
TOTAL LIABILITIES AND OTHER CREDITS	$ 3,679,066,363	$ 3,134,939,820	17.36 %
FINANCIAL RATIOS			
CURRENT ASSETS TO CURRENT AND ACCRUED LIABILITIES (%)	51.57%	46.89%	4.68%
NET LONG-TERM DEBT TO TOTAL CAPITALIZATION (%)	48.95%	44.57%	4.38%

TABLE II
SUMMARY ALL TELEPHONE COMPANIES - WASHINGTON OPERATIONS ONLY
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
1978 AND 1977

	1978	1977	PERCENT INCREASE (DECREASE) 1978 OVER 1977
NET OPERATING INCOME:			
OPERATING REVENUES			
LOCAL SERVICE	$ 369,163,725	$ 329,964,180	11.88 %
TOLL SERVICE	433,914,714	364,980,970	18.89
MISCELLANEOUS	56,043,084	47,083,178	19.03
UNCOLLECTIBLES - DEBIT	5,161,616	3,858,088	33.79
TOTAL OPERATING REVENUES	$ 853,959,910	$ 738,170,240	15.69 %
OPERATING REVENUE EXPENSES			
MAINTENANCE	$ 165,077,894	$ 135,563,302	21.77 %
DEPRECIATION AND AMORTIZATION	122,431,394	108,032,050	13.33
TRAFFIC	44,206,781	40,172,247	10.04
COMMERCIAL	75,459,637	61,837,538	22.03
GENERAL OFFICE	53,278,604	45,978,637	15.88
OTHER OPERATING EXPENSES	73,748,944	62,454,091	18.09
TOTAL OPERATING REVENUE EXPENSES	$ 534,203,249	$ 454,037,863	17.66 %
INVESTMENT CREDIT - NET	27,201,694	19,270,152	41.16
FEDERAL INCOME TAXES	13,866,742	21,257,166	(34.77)
OTHER OPERATING TAXES	78,655,655	75,950,009	3.56
OPER. FED. INCOME TAX DEFER-ACC DEP	33,556,787	26,574,418	26.27
OPER. FED. INCOME TAX DEFER-OTHER	3,421,681	2,338,829	46.30
INC. CREDITS FROM PRIOR FED. TAXES	3,692,792	2,632,546	40.27
TOTAL OPERATING TAXES	$ 153,009,767	$ 142,758,028	7.18 %
TOTAL OPER. REVENUE DEDUCTIONS	$ 687,213,013	$ 596,795,892	15.15 %
NET OPERATING INCOME	$ 166,746,897	$ 141,374,348	17.95 %
NET TELEPHONE PLANT (END OF YEAR)			
100.1 TELEPHONE PLANT IN SERVICE	$ 2,395,759,806	$ 2,090,047,008 **	14.63 %
100.3 PROPERTY HELD FOR FUTURE USE	1,517,711	1,441,862 **	5.26
LESS: 171 & 172 DEP. & AMORT. RESERVES	488,260,885	441,063,018 **	10.70
NET TELEPHONE PLANT	$ 1,909,016,632	$ 1,650,425,852 **	15.67 %
PRIMARY STATISTICS (END OF YEAR)			
MILES OF:			
WIRE IN CABLE	20,479,613.99	18,515,991.38	10.61
AERIAL WIRE	58,862.88	61,063.29	(3.60)
UNDERGROUND CONDUIT (SINGLE DUCT)	10,928.74	9,705.04	12.61
CARRIER CHANNEL (TELEPHONE)	6,261,062	5,630,172.14	11.21
NUMBER OF POLES	463,318	482,306	(3.94)
NUMBER OF CENTRAL OFFICES	527	513	2.73
NUMBER OF EXCHANGE CIRCUITS	1,774,222	1,640,581	8.15
COMPANY TELEPHONES	2,993,346	2,799,450	6.93
AVERAGE * COMPANY TELEPHONES	2,896,398	2,704,655.5	7.09

* BEGINNING YEAR-END OF YEAR AVERAGE

** THE 1977 STATISTICS PORTRAYED THE 1977 STATE OF WASHINGTON OPERATIONS FOR GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC., ON A DIRECT BASIS RATHER THAN ON A DIRECT AND ALLOCATED BASIS AS PRESENTED ON THIS PAGE FOR 1978 AND 1977.

TABLE III
SUMMARY ALL TELEPHONE COMPANIES - WASHINGTON OPERATIONS ONLY
DERIVED STATISTICS
1978 - 1977

	1978	1977	PERCENT INCREASE (DECREASE) 1978 OVER 1977
DERIVED STATISTICS			
DEPRECIATION & AMORTIZATION EXPENSES TO TELEPHONE PLANT IN SERVICE ($)*	5.11$	5.17%	(1.16)$
DEPRECIATION & AMORTIZATION RESERVES TO TELEPHONE PLANT IN SERVICE ($)*	20.38	21.10	(3.41)
PERCENT OF TOTAL OPERATING REVENUES			
LOCAL SERVICE REVENUES	43.23	44.70	(3.40)
TOLL SERVICE REVENUES	50.81	49.44	2.70
MISCELLANEOUS REVENUES	6.56	6.38	2.74
UNCOLLECTIBLES - DEBIT	0.60	0.52	13.33
TOTAL DEDUCTIONS FROM REVENUES	80.47	80.85	(0.47)
NET OPERATING INCOME	19.53	19.15	1.95
TELEPHONE PLANT IN SERVICE	280.55	283.14	(0.91)
AMOUNT PER AVERAGE COMPANY TELEPHONE			
LOCAL SERVICE REVENUES	$127.46	$122.00	4.28
TOLL SERVICE REVENUES	149.81	134.95	9.92
MISCELLANEOUS REVENUE	19.35	17.41	10.03
UNCOLLECTIBLES - DEBIT	1.78	1.43	19.66
TOTAL OPERATING REVENUES	294.84	272.93	7.43
MAINTENANCE EXPENSES	57.00	50.12	12.07
DEPRECIATION AND AMORTIZATION EXPENSES	42.27	39.95	5.49
TRAFFIC EXPENSES	15.26	14.86	2.62
COMMERCIAL EXPENSES	26.05	22.86	12.25
GENERAL OFFICE EXPENSES	18.40	17.00	7.61
OTHER OPERATING EXPENSES	25.46	23.09	9.31
FEDERAL INCOME TAXES NET	25.67	24.70	4.05
OTHER OPERATING TAXES	27.16	28.08	(3.39)
TOTAL DEDUCTIONS FROM REVENUES	237.27	220.66	7.00
NET OPERATING INCOME	$ 57.57	$ 52.27	9.21
AMOUNT PER AVERAGE COMPANY TELEPHONE			
TELEPHONE PLANT IN SERVICE*	$827.15	$772.76	7.04$
PLANT HELD FOR FUTURE TELEPHONE USE*	0.52	0.53	(1.89)
DEPRECIATION AND AMORTIZATION RESERVES*	168.58	163.08	3.37

* END OF YEAR

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

ASSETS AND OTHER DEBITS	ASOTIN TELEPHONE COMPANY	CASCADE AUTOVON COMPANY	CASCADE TELEPHONE COMPANY	COLUMBIA BASIN TELEPHONE COMPANY	CONTINENTAL TELEPHONE COMPANY OF THE NORTHWEST, INC.
TELEPHONE PLANT					
100.1 TELEPHONE PLANT IN SERVICE	$ 987,346	$ 3,962,392	$ 6,259,036	$ 3,700,545	$ 79,043,999
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	25,842	-	146,103	56,872	2,918,196
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	15,989	-	-	-	8,502
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	-	-	-	-	21,991
SUBTOTAL	1,029,177	3,962,392	6,405,139	3,757,417	81,992,688
LESS : 171 DEPRECIATION RESERVE	309,186	3,026,492	1,371,805	1,020,001	13,487,071
172 AMORTIZATION RESERVE	-	-	-	-	-
LESS RESERVES	719,991	935,900	5,033,334	2,737,416	68,505,617
TOTAL NET TELEPHONE PLANT	719,991	935,900	5,033,334	2,737,416	68,505,617
INVESTMENTS AND FUNDS					
101.1 INVESTMENTS IN AFFILIATED COMPANIES	-	2,070,702	-	-	-
101.2 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
102 OTHER INVESTMENTS	1,000	-	-	-	3,000
103 MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	3,504
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
TOTAL	1,000	2,070,702	-	-	6,504
CURRENT ASSETS					
113 CASH	14,542	100	300	265	351,137
114 SPECIAL CASH DEPOSITS	-	-	-	-	-
115 WORKING FUNDS	300	-	-	-	28,020
116 TEMPORARY CASH INVESTMENTS	-	-	-	-	-
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	-	-
118 DUE FROM CUSTOMERS AND AGENTS	31,168	-	272,323	171,668	3,052,626
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	205	147,793	565,510	183,311	74,109
120.2 OTHER ACCOUNTS RECEIVABLE	22,614	98,775	-	-	-
121 INTEREST AND DIVIDENDS RECEIVABLE	-	-	-	-	-
122 MATERIAL AND SUPPLIES	4,235	-	57,626	30,899	690,667
123 OTHER CURRENT ASSETS	-	-	-	-	-
TOTAL	73,064	246,668	895,759	386,143	4,196,559
PREPAID ACCOUNTS & DEFERRED CHARGES					
129 PREPAID RENTS	1,700	-	-	-	-
130 PREPAID TAXES	389	10,150	-	-	-
131 PREPAID INSURANCE	-	82	48	-	-
132 PREPAID DIRECTORY EXPENSES	-	-	-	-	-
133 OTHER PREPAYMENTS	266	6,307	7,215	-	-
135 DISCOUNT ON LONG-TERM DEBT	12,440	20,446	20,571	6,734	160,300
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	-	-	-	-	8,400
139 OTHER DEFERRED CHARGES	30,762	-	-	-	108,778
TOTAL	45,558	36,985	27,834	6,734	277,478
TOTAL ASSETS & OTHER DEBITS	$ 839,613	$ 3,290,255	$ 5,956,927	$ 3,130,293	$ 72,986,158

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

LIABILITIES AND OTHER CREDITS	ASOTIN TELEPHONE COMPANY	CASCADE AUTOVON COMPANY	CASCADE TELEPHONE COMPANY	COLUMBIA BASIN TELEPHONE COMPANY	CONTINENTAL TELEPHONE COMPANY OF THE NORTHWEST, INC.
STOCKHOLDERS' EQUITY					
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 88,250	$ 225,000	$ 1,240,000	$ 267,000	$ 5,060,546
152 PREMIUM ON CAPITAL STOCK	212	2,303	103,429	95,661	4,179,237
179 OTHER CAPITAL	-	295,039	82,978	344,698	7,384,725
180 RETAINED EARNINGS RESERVED	-	-	-	-	-
181 UNAPPROPRIATED RETAINED EARNINGS	163,832	1,469,273	1,272,267	1,112,382	13,514,845
SUBTOTAL	252,294	1,991,615	2,698,674	1,819,741	30,139,353
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	-	-	-	-	-
134.2 CAPITAL STOCK EXPENSE	-	-	-	-	-
TOTAL NET STOCKHOLDERS' EQUITY	252,294	1,991,615	2,698,674	1,819,741	30,139,353
LONG-TERM DEBT					
154.1 FUNDED DEBT	528,482	1,125,000	2,044,065	660,902	32,670,585
156 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
157 OTHER LONG-TERM DEBT	-	-	-	-	-
TOTAL	528,482	1,125,000	2,044,065	660,902	32,670,585
CURRENT AND ACCRUED LIABILITIES					
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	-
158.2 OTHER NOTES PAYABLE	-	-	-	-	1,400,000
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	12,415	-	-	-	310,194
159.2 OTHER ACCOUNTS PAYABLE	19,804	102,214	415,597	243,583	607,494
160 CUSTOMERS' DEPOSITS	1,055	-	2,760	3,568	74,765
162 MATURED INTEREST AND DIVIDENDS	-	-	-	-	-
163 MATURED LONG-TERM DEBT	-	-	-	-	-
164 ADVANCE BILLING AND PAYMENTS	-	-	72,176	36,320	360,351
165 OTHER CURRENT LIABILITIES	-	6,304	9,993	4,649	133,511
166 TAXES ACCRUED	(4,381)	22,665	93,994	45,948	1,662,259
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	1,581	8,203	41,906	13,118	485,618
TOTAL	30,475	139,386	636,426	347,186	5,034,192
DEFERRED CREDITS AND OPERATING RESERVES					
168 PREMIUM ON LONG-TERM DEBT	-	-	-	-	-
169 INSURANCE RESERVE	-	-	-	-	-
170 PROVIDENT RESERVES	-	-	-	-	-
174 OTHER DEFERRED CREDITS	25,730	34,254	213,902	116,168	3,563,478
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	-	-	321,788	157,962	1,504,144
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	2,631	-	42,072	28,334	74,406
TOTAL	28,362	34,254	577,762	302,464	5,142,028
TOTAL LIABILITIES AND OTHER CREDITS	$ 839,613	$ 3,290,255	$ 5,956,927	$ 3,130,293	$ 72,986,158

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT
YEAR 1978

	ASOTIN TELEPHONE COMPANY	CASCADE AUTOVON COMPANY	CASCADE TELEPHONE COMPANY	COLUMBIA BASIN TELEPHONE COMPANY	CONTINENTAL TELEPHONE COMPANY OF THE NORTHWEST, INC.
NET INCOME:					
NET OPERATING INCOME - WASHINGTON	$ 58,606	$ 175,975	$ 546,821	$ 297,254	$ 4,301,165
- OTHER STATES	6,488	-	-	-	1,309,458
TOTAL NET OPERATING INCOME	$ 65,094	$ 175,975	$ 546,821	$ 297,254	$ 5,610,623
INTEREST CHARGED TO CONSTRUCTION	2,267	-	7,657	5,138	58,608
OTHER INCOME	(6,428)	160,891	2,569	1,852	51,634
MISCELLANEOUS DEDUCTIONS FROM INCOME	-	-	-	-	20,357
INTEREST ON FUNDED DEBT	6,770	120,312	161,067	58,224	2,455,123
OTHER FIXED CHARGES	12,816	10,569	2,260	1,176	52,429
EXTRAORD/DELAYED ITEMS BEFORE TAX	-	-	-	-	-
INC. TX EFFECT OF EXTRAORD/DELAYED	-	-	-	-	-
NET INCOME	$ 41,347	$ 205,985	$ 393,720	$ 244,844	$ 3,192,956
RETAINED EARNINGS: (A/C 180 & 181)					
BALANCE AT BEGINNING OF YEAR	$ 124,295	$ 1,402,223	$ 1,064,547	$ 978,349	$ 12,287,714
CREDITS: NET INCOME (AS ABOVE)	41,347	205,985	393,720	244,844	3,192,956
OTHER CREDITS	-	167,515	-	-	(3)
TOTAL CREDITS	$ 41,347	$ 373,500	$ 393,720	$ 244,844	$ 3,192,953
DEBITS: DIVIDEND APPROPRIATIONS	1,810	306,450	186,000	110,811	1,965,822
OTHER DEBITS	-	-	-	-	-
TOTAL DEBITS	$ 1,810	$ 306,450	$ 186,000	$ 110,811	$ 1,965,822
BALANCE AT END OF YEAR	$ 163,832	$ 1,469,273	$ 1,272,267	$ 1,112,382	$ 13,514,845

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY AND WASHINGTON OPERATIONS
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
YEAR 1978

	---ASOTIN TELEPHONE COMPANY---		CASCADE AUTOVON COMPANY	CASCADE TELEPHONE COMPANY	COLUMBIA BASIN TELEPHONE COMPANY	CONTINENTAL TELEPHONE COMPANY ----OF THE NORTHWEST, INC.----	
	STATE OF WASHINGTON	TOTAL COMPANY				STATE OF WASHINGTON	TOTAL COMPANY
NET OPERATING INCOME:							
OPERATING REVENUES							
LOCAL SERVICE	$ 114,799	$ 127,555	$ 915,202	$ 676,945	$ 310,534	$ 6,403,490	$ 9,099,126
TOLL SERVICE	112,421	124,913	-	1,304,220	848,775	11,296,713	15,420,627
MISCELLANEOUS	10,157	11,286	21,432	95,007	34,361	464,386	735,369
UNCOLLECTIBLES - DEBIT	1,125	1,250	-	22,305	7,293	123,000	163,000
TOTAL OPERATING REVENUES	$ 236,253	$ 262,503	$ 936,634	$ 2,053,867	$ 1,186,377	$ 18,041,589	$ 25,092,122
OPERATING REVENUE EXPENSES							
MAINTENANCE	$ 34,197	$ 37,997	$ 231,515	$ 325,891	$ 202,595	$ 3,996,437	$ 5,428,218
DEPRECIATION AND AMORTIZATION	34,837	38,535	288,586	314,030	201,660	3,154,950	4,153,060
TRAFFIC	2,099	2,333	-	14,116	6,555	478,873	728,647
COMMERCIAL	18,158	20,176	7,910	123,229	51,924	1,238,394	1,795,720
GENERAL OFFICE	23,138	25,709	63,297	89,771	48,927	1,679,246	2,376,693
OTHER OPERATING EXPENSES	44,267	49,186	68,312	89,539	63,797	1,028,867	1,360,836
TOTAL OPERATING REVENUE EXPENSES	$ 156,747	$ 173,935	$ 659,620	$ 956,576	$ 575,458	$ 11,576,767	$ 15,843,174
INVESTMENT CREDIT - NET	6,087	6,763	(6,500)	32,000	28,000	338,769	841,184
FEDERAL INCOME TAXES	(661)	(735)	57,500	285,000	159,000	423,572	605,781
OTHER OPERATING TAXES	13,106	14,814	50,039	179,970	97,665	1,401,316	1,949,308
OPER. FED. INCOME TAX DEFER-ACC DEP	-	2,631	-	43,000	20,000	-	210,332
OPER. FED. INCOME TAX DEFER-OTHER	2,368	-	-	10,500	9,000	-	31,720
INC. CREDITS FROM PRIOR FED. TAXES	-	-	-	-	-	-	-
TOTAL OPERATING TAXES	$ 20,900	$ 23,473	$ 101,039	$ 550,470	$ 313,665	$ 2,163,657	$ 3,638,325
TOTAL OPER. REVENUE DEDUCTIONS	$ 177,647	$ 197,409	$ 760,659	$ 1,507,046	$ 889,123	$ 13,740,424	$ 19,481,499
NET OPERATING INCOME	$ 58,606	$ 65,094	$ 175,975	$ 546,821	$ 297,254	$ 4,301,165	$ 5,610,623
NET TELEPHONE PLANT - DECEMBER 31, 1978							
100.1 TELEPHONE PLANT IN SERVICE	$ 887,102	$ 987,346	$ 3,962,392	$ 6,259,036	$ 3,700,545	$ 59,595,791	$ 79,043,999
100.3 PROPERTY HELD FOR FUTURE USE	15,989	15,989	-	-	-	8,502	8,502
LESS: 171 & 172 DEP. & AMORT. RESERVES	279,968	309,186	3,026,492	1,371,805	1,020,001	9,279,521	13,487,071
NET TELEPHONE PLANT 12/31/78	$ 623,123	$ 694,149	$ 935,900	$ 4,887,231	$ 2,680,544	$ 50,324,772	$ 65,565,430
PRIMARY STATISTICS - DECEMBER 31, 1978							
MILES OF:							
WIRE IN CABLE	1,957.05	2,065.14	-	43,863.86	13,893.17	269,680.20	402,402.40
AERIAL WIRE	310.79	383.18	-	496.28	386.98	2,145.30	3,846.30
UNDERGROUND CONDUIT (SINGLE DUCT)	-	-	-	19.46	-	152.80	169.40
CARRIER CHANNEL (TELEPHONE)	-	-	-	593.40	5,388.40	-	-
NUMBER OF POLES	-	-	-	5,415	1,951	25,456	30,005
NUMBER OF CENTRAL OFFICES	2	3	-	4	7	30	42
TYPE OF SWITCHBOARD	SXS	SXS	-	SXS, X-BAR	SXS	MULTI	MULTI
NUMBER OF EXCHANGE CIRCUITS	500	530	-	4,530	1,561	25,735	39,726
COMPANY TELEPHONES	1,026	1,118	-	8,757	3,632	59,622	84,734
AVERAGE * COMPANY TELEPHONES	988.5	1,075.5	-	8,216.5	3,519	56,895.5	81,073

* BEGINNING YEAR-END OF YEAR AVERAGE

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

ASSETS AND OTHER DEBITS	COWICHE TELEPHONE COMPANY	ELLENSBURG TELEPHONE COMPANY	EVERGREEN TELEPHONE COMPANY	GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC.	HAT ISLAND TELEPHONE COMPANY
TELEPHONE PLANT					
100.1 TELEPHONE PLANT IN SERVICE	$ 1,435,790	$ 17,467,917	$ 3,370,229	$ 837,217,437	$ 21,732
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	-	-	49,924	58,901,222	-
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	-	-	-	3,308,170	-
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	-	-	62,330	-	-
SUBTOTAL	1,435,790	17,467,917	3,482,483	899,426,829	21,732
LESS : 171 DEPRECIATION RESERVE	657,005	5,412,248	704,020	170,007,048	10,673
172 AMORTIZATION RESERVE	-	-	-	-	-
LESS RESERVES	778,785	12,055,668	2,778,463	729,419,781	11,059
TOTAL NET TELEPHONE PLANT	778,785	12,055,668	2,778,463	729,419,781	11,059
INVESTMENTS AND FUNDS					
101.1 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	2,329,400	-
101.2 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
102 OTHER INVESTMENTS	27,991	-	-	9,475	-
103 MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	183,815	-
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
TOTAL	27,991	-	-	2,522,690	-
CURRENT ASSETS					
113 CASH	32,442	(47,123)	50	1,593,151	2,253
114 SPECIAL CASH DEPOSITS	-	-	-	29,398	-
115 WORKING FUNDS	-	405	-	296,367	-
116 TEMPORARY CASH INVESTMENTS	-	150,000	-	-	-
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	915,000	-
118 DUE FROM CUSTOMERS AND AGENTS	42,857	75,179	144,119	28,568,827	223
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	1,190,022	992
120.2 OTHER ACCOUNTS RECEIVABLE	-	6,509	-	6,037,859	-
121 INTEREST AND DIVIDENDS RECEIVABLE	-	600	-	-	-
122 MATERIAL AND SUPPLIES	11,829	85,553	11,749	7,907,433	-
123 OTHER CURRENT ASSETS	-	-	12	-	-
TOTAL	87,128	271,123	155,930	46,538,057	3,467
PREPAID ACCOUNTS & DEFERRED CHARGES					
129 PREPAID RENTS	-	-	305	10,443	-
130 PREPAID TAXES	-	5,280	-	16,896	-
131 PREPAID INSURANCE	1,104	75,706	68	363,019	-
132 PREPAID DIRECTORY EXPENSES	-	-	-	255,125	-
133 OTHER PREPAYMENTS	-	-	682	226,960	-
135 DISCOUNT ON LONG-TERM DEBT	3,095	14,076	5,607	3,234,905	-
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	-	-	-	-	-
139 OTHER DEFERRED CHARGES	775	-	-	1,077,913	-
TOTAL	4,974	95,062	6,662	5,185,260	-
TOTAL ASSETS & OTHER DEBITS	$ 898,878	$ 12,421,854	$ 2,941,055	$ 783,665,787	$ 14,527

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

LIABILITIES AND OTHER CREDITS	COWICHE TELEPHONE COMPANY	ELLENSBURG TELEPHONE COMPANY	EVERGREEN TELEPHONE COMPANY	GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC.	HAT ISLAND TELEPHONE COMPANY
STOCKHOLDERS' EQUITY					
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 121,000	$ 3,238,230	$ 180,000	$ 214,000,000	$ 4,000
152 PREMIUM ON CAPITAL STOCK	-	1,005,839	90,521	-	-
179 OTHER CAPITAL	-	-	371,815	-	-
180 RETAINED EARNINGS RESERVED	-	-	-	-	-
181 UNAPPROPRIATED RETAINED EARNINGS	512,616	2,378,205	1,031,701	67,739,368	8,311
SUBTOTAL	633,616	6,622,274	1,674,037	281,739,368	12,311
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	-	-	-	-	-
134.2 CAPITAL STOCK EXPENSE	-	-	-	-	-
TOTAL NET STOCKHOLDERS' EQUITY	633,616	6,622,274	1,674,037	281,739,368	12,311
LONG-TERM DEBT					
154.1 FUNDED DEBT	222,000	3,848,000	548,875	302,463,000	-
156 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
157 OTHER LONG-TERM DEBT	-	-	-	-	-
TOTAL	222,000	3,848,000	548,875	302,463,000	-
CURRENT AND ACCRUED LIABILITIES					
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	-
158.2 OTHER NOTES PAYABLE	-	-	-	49,013,000	-
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	-	-	1,345	4,727,135	979
159.2 OTHER ACCOUNTS PAYABLE	13,650	103,636	355,710	12,233,095	-
160 CUSTOMERS' DEPOSITS	125	19,367	1,719	177,080	-
162 MATURED INTEREST AND DIVIDENDS	-	-	-	-	-
163 MATURED LONG-TERM DEBT	-	-	-	-	-
164 ADVANCE BILLING AND PAYMENTS	-	-	31,801	4,812,065	-
165 OTHER CURRENT LIABILITIES	-	179,764	4,670	3,852,021	1,200
166 TAXES ACCRUED	9,140	377,570	39,755	14,419,821	36
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	948	37,395	5,388	8,748,006	-
TOTAL	23,863	717,732	440,308	97,982,223	2,216
DEFERRED CREDITS AND OPERATING RESERVES					
168 PREMIUM ON LONG-TERM DEBT	-	-	-	-	-
169 INSURANCE RESERVE	-	-	-	-	-
170 PROVIDENT RESERVES	-	-	-	1,652,506	-
174 OTHER DEFERRED CREDITS	19,399	594,432	123,672	39,778,424	-
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	-	639,416	131,586	59,462,297	-
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	-	-	22,497	587,969	-
TOTAL	19,399	1,233,848	277,755	101,481,196	-
TOTAL LIABILITIES AND OTHER CREDITS	$ 898,878	$ 12,421,854	$ 2,941,055	$ 783,665,787	$ 14,527

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT
YEAR 1978

	COWICHE TELEPHONE COMPANY	ELLENSBURG TELEPHONE COMPANY	EVERGREEN TELEPHONE COMPANY	GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC.	HAT ISLAND TELEPHONE COMPANY
NET INCOME:					
NET OPERATING INCOME - WASHINGTON	$ 105,809	$ 1,257,760	$ 288,085	$ 31,665,437	$ 2,071
- OTHER STATES	-	-	-	24,561,110	-
TOTAL NET OPERATING INCOME	$ 105,809	$ 1,257,760	$ 288,085	$ 56,226,547	$ 2,071
INTEREST CHARGED TO CONSTRUCTION	-	-	4,413	3,406,919	-
OTHER INCOME	3,651	14,172	-	489,140	-
MISCELLANEOUS DEDUCTIONS FROM INCOME	882	1,561	-	273,623	-
INTEREST ON FUNDED DEBT	11,606	253,579	36,853	19,078,965	-
OTHER FIXED CHARGES	281	3,403	1,928	3,471,556	-
EXTRAORD/DELAYED ITEMS BEFORE TAX	-	-	-	(531,338)	-
INC. TX EFFECT OF EXTRAORD/DELAYED	-	-	-	(256,337)	-
NET INCOME	$ 96,691	$ 1,013,389	$ 253,717	$ 37,023,460	$ 2,071
RETAINED EARNINGS: (A/C 180 & 181)					
BALANCE AT BEGINNING OF YEAR	$ 446,972	$ 2,001,143	$ 892,892	$ 57,047,908	$ 6,239
CREDITS: NET INCOME (AS ABOVE)	96,691	1,013,389	253,717	37,023,460	2,071
OTHER CREDITS	-	-	-	-	-
TOTAL CREDITS	$ 96,691	$ 1,013,389	$ 253,717	$ 37,023,460	$ 2,071
DEBITS: DIVIDEND APPROPRIATIONS	20,984	636,328	114,908	26,332,000	-
OTHER DEBITS	10,063	-	-	-	-
TOTAL DEBITS	$ 31,047	$ 636,328	$ 114,908	$ 26,332,000	$ -
BALANCE AT END OF YEAR	$ 512,616	$ 2,378,205	$ 1,031,701	$ 67,739,368	$ 8,311

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY AND WASHINGTON OPERATIONS
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
YEAR 1978

	COWICHE TELEPHONE COMPANY	ELLENSBURG TELEPHONE COMPANY	EVERGREEN TELEPHONE COMPANY	---GENERAL TELEPHONE COMPANY-- ----OF THE NORTHWEST, INC.----		HAT ISLAND TELEPHONE COMPANY
				STATE OF WASHINGTON	TOTAL COMPANY	
NET OPERATING INCOME:						
OPERATING REVENUES						
LOCAL SERVICE	$ 135,895	$ 2,052,010	$ 272,056	$ 69,754,511	$ 117,778,469	$ 1,588
TOLL SERVICE	268,736	2,373,371	827,614	74,456,709	144,500,042	3,932
MISCELLANEOUS	16,681	99,563	25,635	4,173,829	7,193,585	-
UNCOLLECTIBLES - DEBIT	2,939	22,199	10,168	443,102	720,000	145
TOTAL OPERATING REVENUES	$ 418,373	$ 4,502,745	$ 1,115,137	$ 147,941,946	$ 268,752,096	$ 5,375
OPERATING REVENUE EXPENSES						
MAINTENANCE	$ 61,359	$ 505,145	$ 179,893	$ 30,892,120	$ 54,630,936	$ 178
DEPRECIATION AND AMORTIZATION	64,564	781,733	178,962	24,530,896	45,047,566	773
TRAFFIC	3,733	228,306	6,842	6,303,408	13,198,001	563
COMMERCIAL	12,563	174,087	47,424	11,543,218	20,792,099	-
GENERAL OFFICE	71,234	245,725	47,906	9,147,514	17,152,795	1,482
OTHER OPERATING EXPENSES	43,213	168,959	53,659	6,864,520	13,606,804	175
TOTAL OPERATING REVENUE EXPENSES	$ 256,666	$ 2,103,955	$ 514,686	$ 89,281,676	$ 164,428,201	$ 3,171
INVESTMENT CREDIT - NET	7,992	126,184	11,000	6,487,488	11,169,109	-
FEDERAL INCOME TAXES	17,719	444,825	185,000	(1,904,847)	(1,195,249)	-
OTHER OPERATING TAXES	30,187	396,030	89,366	14,637,281	24,918,563	133
OPER. FED. INCOME TAX DEFER-ACC DEP	-	173,991	21,000	7,823,707	13,725,159	-
OPER. FED. INCOME TAX DEFER-OTHER	-	-	6,000	-	-	-
INC. CREDITS FROM PRIOR FED. TAXES	-	-	-	48,794	520,234	-
TOTAL OPERATING TAXES	$ 55,898	$ 1,141,030	$ 312,366	$ 26,994,835	$ 48,097,348	$ 133
TOTAL OPER. REVENUE DEDUCTIONS	$ 312,564	$ 3,244,985	$ 827,052	$ 116,276,509	$ 212,525,549	$ 3,304
NET OPERATING INCOME	$ 105,809	$ 1,257,760	$ 288,085	$ 31,665,437	$ 56,226,547	$ 2,071
NET TELEPHONE PLANT - DECEMBER 31, 1978						
100.1 TELEPHONE PLANT IN SERVICE	$ 1,435,790	$ 17,467,917	$ 3,370,229	$ 471,123,798**	$ 837,217,437	$ 21,732
100.3 PROPERTY HELD FOR FUTURE USE	-	-	-	773,761**	3,308,170	-
LESS: 171 & 172 DEP. & AMORT. RESERVES	657,005	5,412,248	704,020	98,759,640**	170,007,048	10,673
NET TELEPHONE PLANT 12/31/78	$ 778,785	$ 12,055,669	$ 2,666,209	$ 373,137,919**	$ 670,518,559	$ 11,059
PRIMARY STATISTICS - DECEMBER 31, 1978						
MILES OF:						
WIRE IN CABLE	10,096.76	120,928.13	12,352.48	2,915,446.00	5,050,608.00	326.77
AERIAL WIRE	178.40	1,591.86	330.45	5,201.00	20,739.00	-
UNDERGROUND CONDUIT (SINGLE DUCT)	2.73	74.85	-	1,953.00	3,018.00	-
CARRIER CHANNEL (TELEPHONE)	-	3,610.50	3,932.10	361,484.00	695,325.00	-
NUMBER OF POLES	2,196	10,427	4,595	128,198	215,127	-
NUMBER OF CENTRAL OFFICES	2	5	5	72	146	-
TYPE OF SWITCHBOARD	SXS,RELAY	SXS, ELECTRONIC	SXS	MULTI	MULTI	-
NUMBER OF EXCHANGE CIRCUITS	1,097	13,572	1,665	340,040	584,814	-
COMPANY TELEPHONES	1,826	19,895	3,898	517,667	925,427	26
AVERAGE * COMPANY TELEPHONES	1,774	19,401	3,735	496,156.5	884,390.5	26

* BEGINNING YEAR-END OF YEAR AVERAGE

** DIRECT AND ALLOCATED BASIS

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

ASSETS AND OTHER DEBITS	HOOD CANAL TELEPHONE CO., INC.	ILWACO TELEPHONE COMPANY	INLAND EMPIRE TELEPHONE COMPANY	INLAND TELEPHONE COMPANY	INTER-ISLAND TELEPHONE COMPANY, INC.
TELEPHONE PLANT					
100.1 TELEPHONE PLANT IN SERVICE	$ 328,728	$ 3,689,997	$ 13,099,887	$ 1,043,660	$ 2,465,410
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	20,762	45,454	323,358	12,426	246,493
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	-	-	-	-	-
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	-	-	10,101	-	-
SUBTOTAL	349,490	3,735,451	13,433,346	1,056,086	2,711,903
LESS : 171 DEPRECIATION RESERVE	114,393	749,262	3,622,041	295,185	949,217
172 AMORTIZATION RESERVE	-	-	-	-	-
LESS RESERVES	235,097	2,986,189	9,811,305	760,901	1,762,686
TOTAL NET TELEPHONE PLANT	235,097	2,986,189	9,811,305	760,901	1,762,686
INVESTMENTS AND FUNDS					
101.1 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
101.2 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
102 OTHER INVESTMENTS	-	-	-	1,000	-
103 MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
TOTAL	-	-	-	1,000	-
CURRENT ASSETS					
113 CASH	12,654	50	450	34,828	103,948
114 SPECIAL CASH DEPOSITS	-	-	-	-	-
115 WORKING FUNDS	-	-	-	-	-
116 TEMPORARY CASH INVESTMENTS	-	-	-	-	-
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	-	-
118 DUE FROM CUSTOMERS AND AGENTS	18,433	116,919	417,741	18,379	128,073
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	-	215,718	158,293	211	-
120.2 OTHER ACCOUNTS RECEIVABLE	-	-	-	39,110	5,748
121 INTEREST AND DIVIDENDS RECEIVABLE	-	-	-	-	-
122 MATERIAL AND SUPPLIES	1,897	21,157	208,065	144,761	39,538
123 OTHER CURRENT ASSETS	-	-	-	1,156	-
TOTAL	32,984	353,844	784,549	238,445	277,307
PREPAID ACCOUNTS & DEFERRED CHARGES					
129 PREPAID RENTS	-	-	-	127	-
130 PREPAID TAXES	-	-	-	-	-
131 PREPAID INSURANCE	-	-	-	63	6,764
132 PREPAID DIRECTORY EXPENSES	-	-	-	-	-
133 OTHER PREPAYMENTS	-	3,090	-	755	596
135 DISCOUNT ON LONG-TERM DEBT	1,460	9,500	63,328	651	15,642
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	-	-	-	-	-
139 OTHER DEFERRED CHARGES	6,173	-	30	383	-
TOTAL	7,633	12,590	63,358	1,979	23,002
TOTAL ASSETS & OTHER DEBITS	$ 275,714	$ 3,352,623	$ 10,659,212	$ 1,002,325	$ 2,062,995

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

LIABILITIES AND OTHER CREDITS	HOOD CANAL TELEPHONE CO., INC.	ILWACO TELEPHONE COMPANY	INLAND EMPIRE TELEPHONE COMPANY	INLAND TELEPHONE COMPANY	INTER-ISLAND TELEPHONE COMPANY, INC.
STOCKHOLDERS' EQUITY					
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 50,000	$ 175,840	$ 185,300	$ 50,000	$ 50,000
152 PREMIUM ON CAPITAL STOCK	-	398,675	818,995	7,175	-
179 OTHER CAPITAL	839	-	1,174,386	-	53,747
180 RETAINED EARNINGS RESERVED	-	-	-	-	-
181 UNAPPROPRIATED RETAINED EARNINGS	86,265	964,496	3,533,177	239,023	760,916
SUBTOTAL	137,104	1,539,011	5,711,858	296,198	864,663
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	-	-	-	-	-
134.2 CAPITAL STOCK EXPENSE	-	-	-	-	-
TOTAL NET STOCKHOLDERS' EQUITY	137,104	1,539,011	5,711,858	296,198	864,663
LONG-TERM DEBT					
154.1 FUNDED DEBT	-	1,158,175	3,015,500	657,095	713,332
156 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
157 OTHER LONG-TERM DEBT	42,771	-	-	-	-
TOTAL	42,771	1,158,175	3,015,500	657,095	713,332
CURRENT AND ACCRUED LIABILITIES					
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	-
158.2 OTHER NOTES PAYABLE	65,000	-	-	-	111,183
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	-	-	-	4,274	-
159.2 OTHER ACCOUNTS PAYABLE	17,500	220,582	255,530	6,053	198,886
160 CUSTOMERS' DEPOSITS	-	1,516	16,237	340	703
162 MATURED INTEREST AND DIVIDENDS	-	-	-	-	-
163 MATURED LONG-TERM DEBT	-	-	-	-	-
164 ADVANCE BILLING AND PAYMENTS	-	51,038	131,679	-	12,486
165 OTHER CURRENT LIABILITIES	2,023	5,006	38,956	877	-
166 TAXES ACCRUED	1,280	50,605	190,463	3,631	62,864
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	2,941	3,378	12,654	-	15,621
TOTAL	88,744	332,125	645,519	15,175	401,743
DEFERRED CREDITS AND OPERATING RESERVES					
168 PREMIUM ON LONG-TERM DEBT	-	-	-	-	-
169 INSURANCE RESERVE	-	-	-	-	-
170 PROVIDENT RESERVES	-	-	-	-	-
174 OTHER DEFERRED CREDITS	161	137,825	501,689	26,046	83,257
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	6,934	167,017	638,149	7,588	-
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	-	18,470	146,497	224	-
TOTAL	7,095	323,312	1,286,335	33,858	83,257
TOTAL LIABILITIES AND OTHER CREDITS	$ 275,714	$ 3,352,623	$ 10,659,212	$ 1,002,325	$ 2,062,995

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT
YEAR 1978

	HOOD CANAL TELEPHONE CO., INC.	ILWACO TELEPHONE COMPANY	INLAND EMPIRE TELEPHONE COMPANY	INLAND TELEPHONE COMPANY	INTER-ISLAND TELEPHONE COMPANY, INC.
NET INCOME:					
NET OPERATING INCOME - WASHINGTON	$ 35,474	$ 352,010	$ 1,124,199	$ 27,123	$ 238,283
- OTHER STATES	-	-	-	13,480	-
TOTAL NET OPERATING INCOME	$ 35,474	$ 352,010	$ 1,124,199	$ 40,603	$ 238,283
INTEREST CHARGED TO CONSTRUCTION	-	4,724	15,147	-	4,465
OTHER INCOME	129	303	92	1,683	-
MISCELLANEOUS DEDUCTIONS FROM INCOME	-	42	-	199	11,741
INTEREST ON FUNDED DEBT	3,041	94,341	265,765	13,303	65,595
OTHER FIXED CHARGES	4,592	830	3,935	368	4,029
EXTRAORD/DELAYED ITEMS BEFORE TAX	-	-	-	-	-
INC. TX EFFECT OF EXTRAORD/DELAYED	-	-	-	-	-
NET INCOME	$ 27,970	$ 261,824	$ 869,738	$ 28,415	$ 161,383
RETAINED EARNINGS: (A/C 180 & 181)					
BALANCE AT BEGINNING OF YEAR	$ 58,295	$ 816,560	$ 3,043,304	$ 210,607	$ 593,768
CREDITS: NET INCOME (AS ABOVE)	27,970	261,824	869,738	28,415	161,383
OTHER CREDITS	-	-	-	-	5,765
TOTAL CREDITS	$ 27,970	$ 261,824	$ 869,738	$ 28,415	$ 167,148
DEBITS: DIVIDEND APPROPRIATIONS	-	113,888	379,865	-	-
OTHER DEBITS	-	-	-	-	-
TOTAL DEBITS	$ -	$ 113,888	$ 379,865	$ -	$ -
BALANCE AT END OF YEAR	$ 86,265	$ 964,496	$ 3,533,177	$ 239,023	$ 760,916

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY AND WASHINGTON OPERATIONS
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
YEAR 1978

	HOOD CANAL TELEPHONE CO., INC.	ILWACO TELEPHONE COMPANY	INLAND EMPIRE TELEPHONE COMPANY	---INLAND TELEPHONE COMPANY--- STATE OF WASHINGTON	---INLAND TELEPHONE COMPANY--- TOTAL COMPANY	INTER-ISLAND TELEPHONE COMPANY, INC.
NET OPERATING INCOME:						
OPERATING REVENUES						
LOCAL SERVICE	$ 40,082	$ 412,844	$ 1,403,905	$ 48,058	66,486	$ 398,135
TOLL SERVICE	71,422	758,433	2,895,439	187,331	260,086	500,360
MISCELLANEOUS	1,611	50,028	96,201	1,327	1,810	73,786
UNCOLLECTIBLES - DEBIT	1,126	11,491	24,077	1,177	2,089	4,974
TOTAL OPERATING REVENUES	$ 111,989	$ 1,209,814	$ 4,371,468	$ 235,540	$ 326,293	$ 967,307
OPERATING REVENUE EXPENSES						
MAINTENANCE	$ 15,129	$ 166,061	$ 776,001	$ 43,199	$ 60,245	$ 168,346
DEFRECIATION AND AMORTIZATION	15,249	190,225	744,569	28,899	42,298	142,580
TRAFFIC	403	9,115	39,211	649	897	8,539
COMMERCIAL	5,020	67,639	208,658	11,716	15,856	119,703
GENERAL OFFICE	28,014	52,407	182,428	82,155	109,700	54,174
OTHER OPERATING EXPENSES	4,947	50,687	216,354	16,522	22,160	43,441
TOTAL OPERATING REVENUE EXPENSES	$ 68,762	$ 535,134	$ 2,167,221	$ 183,139	$ 251,157	$ 536,783
INVESTMENT CREDIT - NET	165	20,000	68,000	1,139	930	18,643
FEDERAL INCOME TAXES	-	180,000	536,000	571	2,037	108,411
OTHER OPERATING TAXES	7,068	91,170	349,298	21,139	28,177	65,187
OPER. FED. INCOME TAX DEFER-ACC DEP	520	26,000	81,000	2,421	3,300	-
OPER. FED. INCOME TAX DEFER-OTHER	-	4,500	45,750	8	91	-
INC. CREDITS FROM PRIOR FED. TAXES	-	-	-	-	-	-
TOTAL OPERATING TAXES	$ 7,753	$ 321,670	$ 1,080,048	$ 25,278	$ 34,535	$ 192,241
TOTAL OPER. REVENUE DEDUCTIONS	$ 76,515	$ 857,804	$ 3,247,269	$ 208,417	$ 285,690	$ 729,024
NET OPERATING INCOME	$ 35,474	$ 352,010	$ 1,124,199	$ 27,123	$ 40,603	$ 238,283
NET TELEPHONE PLANT - DECEMBER 31, 1978						
100.1 TELEPHONE PLANT IN SERVICE	$ 328,728	$ 3,689,997	$ 13,099,887	$ 722,381	$ 1,043,660	$ 2,465,410
100.3 PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	-
LESS: 171 & 172 DEP. & AMORT. RESERVES	114,393	749,262	3,622,041	210,876	295,185	949,217
NET TELEPHONE PLANT 12/31/78	$ 214,335	$ 2,940,735	$ 9,477,846	$ 511,505	$ 748,475	$ 1,516,193
PRIMARY STATISTICS - DECEMBER 31, 1978						
MILES OF:						
WIRE IN CABLE	-	16,957.89	53,804.72	3,381.27	4,995.41	13,062.65
AERIAL WIRE	-	44.01	5,050.07	0.20	58.20	91.30
UNDERGROUND CONDUIT (SINGLE DUCT)	-	0.41	4.15	-	-	0.60
CARRIER CHANNEL (TELEPHONE)	166.40	1,631.45	11,758.20	558	666	600
NUMBER OF POLES	395	688	13,580	119	342	631
NUMBER OF CENTRAL OFFICES	1	3	12	1	2	3
TYPE OF SWITCHBOARD	RELAY	SXS	SXS-X BAR	SXS	SXS	SXS
NUMBER OF EXCHANGE CIRCUITS	280	2,705	8,912	365	495	2,613
COMPANY TELEPHONES	788	4,925	17,025	595	848	4,893
AVERAGE * COMPANY TELEPHONES	704.5	4,725	16,503	575	820.5	4,625.5

* BEGINNING YEAR-END OF YEAR AVERAGE

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

ASSETS AND OTHER DEBITS	ISLAND EMPIRE TELEPHONE COMPANY	KALAMA TELEPHONE COMPANY	LEWIS RIVER TELEPHONE COMPANY, INC	LOPEZ TELEPHONE COMPANY	MASHELL TELEPHONE COMPANY, INC.
TELEPHONE PLANT					
100.1 TELEPHONE PLANT IN SERVICE	$ 11,514,439	$ 2,198,459	$ 2,291,695	$ 933,907	$ 2,315,627
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	245,013	6,923	687,834	7,390	578
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	175,000	-	5,358	-	-
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	-	-	-	250	-
SUBTOTAL	11,934,452	2,205,382	2,984,888	941,547	2,316,205
LESS : 171 DEPRECIATION RESERVE	1,666,665	888,123	618,531	209,105	533,632
172 AMORTIZATION RESERVE	-	-	-	-	-
LESS RESERVES	10,267,787	1,317,259	2,366,357	732,442	1,782,574
TOTAL NET TELEPHONE PLANT	10,267,787	1,317,259	2,366,357	732,442	1,782,574
INVESTMENTS AND FUNDS					
101.1 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
101.2 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
102 OTHER INVESTMENTS	-	16,907	67,270	-	179,829
103 MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
TOTAL	-	16,907	67,270	-	179,829
CURRENT ASSETS					
113 CASH	600	23,569	45,164	50	22,840
114 SPECIAL CASH DEPOSITS	-	-	-	-	86,146
115 WORKING FUNDS	-	-	250	-	-
116 TEMPORARY CASH INVESTMENTS	-	61,671	110,504	-	-
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	-	-
118 DUE FROM CUSTOMERS AND AGENTS	438,346	49,475	82,248	23,576	48,238
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	55,004	-
120.2 OTHER ACCOUNTS RECEIVABLE	132,068	10,452	(46,000)	-	12,000
121 INTEREST AND DIVIDENDS RECEIVABLE	-	-	-	-	-
122 MATERIAL AND SUPPLIES	556,931	46,066	30,185	11,698	27,514
123 OTHER CURRENT ASSETS	100	-	-	-	-
TOTAL	1,128,045	191,233	222,351	90,328	196,738
PREPAID ACCOUNTS & DEFERRED CHARGES					
129 PREPAID RENTS	-	-	-	-	195
130 PREPAID TAXES	-	-	-	-	-
131 PREPAID INSURANCE	128	6,557	7,160	-	5,062
132 PREPAID DIRECTORY EXPENSES	-	-	-	-	-
133 OTHER PREPAYMENTS	3,162	-	-	-	-
135 DISCOUNT ON LONG-TERM DEBT	12,494	3,413	1,980	581	3,043
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	-	-	-	-	-
139 OTHER DEFERRED CHARGES	-	489	1,960	-	-
TOTAL	15,784	10,459	11,100	581	8,300
TOTAL ASSETS & OTHER DEBITS	$ 11,411,616	$ 1,535,858	$ 2,667,078	$ 823,351	$ 2,167,440

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

LIABILITIES AND OTHER CREDITS	ISLAND EMPIRE TELEPHONE COMPANY	KALAMA TELEPHONE COMPANY	LEWIS RIVER TELEPHONE COMPANY, INC	LOPEZ TELEPHONE COMPANY	MASHELL TELEPHONE COMPANY, INC.
STOCKHOLDERS' EQUITY					
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 241,560	$ 35,000	$ 35,000	$ 39,260	$ 32,050
152 PREMIUM ON CAPITAL STOCK	1,329,440	-	5,000	82,080	-
179 OTHER CAPITAL	-	-	-	266,436	999
180 RETAINED EARNINGS RESERVED	-	-	-	-	-
181 UNAPPROPRIATED RETAINED EARNINGS	3,452,119	839,394	1,055,689	196,434	566,873
SUBTOTAL	5,023,119	874,394	1,095,689	584,210	599,922
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	-	-	-	-	-
134.2 CAPITAL STOCK EXPENSE	-	-	-	-	-
TOTAL NET STOCKHOLDERS' EQUITY	5,023,119	874,394	1,095,689	584,210	599,922
LONG-TERM DEBT					
154.1 FUNDED DEBT	2,940,340	511,865	1,276,915	74,398	1,293,026
156 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
157 OTHER LONG-TERM DEBT	-	-	-	-	-
TOTAL	2,940,340	511,865	1,276,915	74,398	1,293,026
CURRENT AND ACCRUED LIABILITIES					
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	-
158.2 OTHER NOTES PAYABLE	-	-	-	-	-
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	1,608,619	-	-	-	-
159.2 OTHER ACCOUNTS PAYABLE	121,450	29,309	27,540	58,723	24,925
160 CUSTOMERS' DEPOSITS	3,429	2,814	5,462	188	225
162 MATURED INTEREST AND DIVIDENDS	-	-	-	-	-
163 MATURED LONG-TERM DEBT	-	-	-	-	-
164 ADVANCE BILLING AND PAYMENTS	127,842	-	13,633	5,227	-
165 OTHER CURRENT LIABILITIES	76,650	14,755	-	1,248	30,583
166 TAXES ACCRUED	161,003	54,514	39,939	9,982	2,390
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	16,898	4,505	13,712	1,982	2,461
TOTAL	2,115,891	105,897	100,287	77,350	60,584
DEFERRED CREDITS AND OPERATING RESERVES					
168 PREMIUM ON LONG-TERM DEBT	-	-	-	-	-
169 INSURANCE RESERVE	-	-	-	-	-
170 PROVIDENT RESERVES	-	-	-	-	-
174 OTHER DEFERRED CREDITS	562,246	43,702	98,973	32,655	126,085
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	720,038	-	95,215	49,417	84,109
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	49,982	-	-	5,321	3,714
TOTAL	1,332,266	43,702	194,188	87,393	213,908
TOTAL LIABILITIES AND OTHER CREDITS	$ 11,411,616	$ 1,535,858	$ 2,667,078	$ 823,351	$ 2,167,440

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT
YEAR 1978

	ISLAND EMPIRE TELEPHONE COMPANY	KALAMA TELEPHONE COMPANY	LEWIS RIVER TELEPHONE COMPANY, INC	LOPEZ TELEPHONE COMPANY	MASHELL TELEPHONE COMPANY, INC.
NET INCOME:					
NET OPERATING INCOME - WASHINGTON	$ 993,530	$ 209,041	$ 168,395	$ 70,549	$ 146,898
- OTHER STATES	-	-	-	-	-
TOTAL NET OPERATING INCOME	$ 993,530	$ 209,041	$ 168,395	$ 70,549	$ 146,898
INTEREST CHARGED TO CONSTRUCTION	37,800	-	47,494	1,202	2,661
OTHER INCOME	-	2,419	6,863	-	10,087
MISCELLANEOUS DEDUCTIONS FROM INCOME	80	1,939	100	-	4,163
INTEREST ON FUNDED DEBT	241,943	41,054	50,406	4,550	71,494
OTHER FIXED CHARGES	1,186	2,977	60	64	2,599
EXTRAORD/DELAYED ITEMS BEFORE TAX	-	-	-	-	-
INC. TX EFFECT OF EXTRAORD/DELAYED	-	-	-	-	-
NET INCOME	$ 788,121	$ 165,490	$ 172,186	$ 67,137	$ 81,391
RETAINED EARNINGS: (A/C 180 & 181)					
BALANCE AT BEGINNING OF YEAR	$ 2,666,012	$ 701,904	$ 883,503	$ 158,742	$ 489,326
CREDITS: NET INCOME (AS ABOVE)	788,121	165,490	172,186	67,137	81,391
OTHER CREDITS	-	-	-	-	-
TOTAL CREDITS	$ 788,121	$ 165,490	$ 172,186	$ 67,137	$ 81,391
DEBITS: DIVIDEND APPROPRIATIONS	2,014	28,000	-	29,445	3,843
OTHER DEBITS	-	-	-	-	-
TOTAL DEBITS	$ 2,014	$ 28,000	$ -	$ 29,445	$ 3,843
BALANCE AT END OF YEAR	$ 3,452,119	$ 839,394	$ 1,055,689	$ 196,434	$ 566,873

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY AND WASHINGTON OPERATIONS
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
YEAR 1978

	ISLAND EMPIRE TELEPHONE COMPANY	KALAMA TELEPHONE COMPANY	LEWIS RIVER TELEPHONE COMPANY, INC	LOPEZ TELEPHONE COMPANY	MASHELL TELEPHONE COMPANY, INC.
NET OPERATING INCOME:					
OPERATING REVENUES					
LOCAL SERVICE	$ 1,008,625	$ 235,608	$ 181,616	$ 61,620	$ 139,262
TOLL SERVICE	2,676,114	580,219	529,888	208,523	570,244
MISCELLANEOUS	163,792	7,048	6,108	83	12,761
UNCOLLECTIBLES - DEBIT	26,653	-	2,116	449	5,807
TOTAL OPERATING REVENUES	$ 3,821,878	$ 822,875	$ 715,497	$ 269,777	$ 716,460
OPERATING REVENUE EXPENSES					
MAINTENANCE	$ 801,039	$ 103,542	$ 100,382	$ 40,447	$ 71,436
DEPRECIATION AND AMORTIZATION	525,014	133,555	84,904	43,350	125,932
TRAFFIC	22,805	4,649	2,643	1,961	6,237
COMMERCIAL	193,499	32,375	40,199	10,162	42,768
GENERAL OFFICE	147,748	127,547	76,729	12,660	122,057
OTHER OPERATING EXPENSES	158,273	89,336	79,599	11,191	109,433
TOTAL OPERATING REVENUE EXPENSES	$ 1,848,458	$ 491,004	$ 384,456	$ 119,771	$ 477,863
INVESTMENT CREDIT - NET	146,000	14,336	43,145	8,000	13,177
FEDERAL INCOME TAXES	357,000	60,226	54,487	42,000	-
OTHER OPERATING TAXES	297,390	48,268	46,413	19,207	56,635
OPER. FED. INCOME TAX DEFER-ACC DEP	165,000	-	18,600	9,000	21,887
OPER. FED. INCOME TAX DEFER-OTHER	14,500	-	-	1,250	-
INC. CREDITS FROM PRIOR FED. TAXES	-	-	-	-	-
TOTAL OPERATING TAXES	$ 979,890	$ 122,830	$ 162,645	$ 79,457	$ 91,699
TOTAL OPER. REVENUE DEDUCTIONS	$ 2,828,348	$ 613,834	$ 547,102	$ 199,228	$ 569,562
NET OPERATING INCOME	$ 993,530	$ 209,041	$ 168,395	$ 70,549	$ 146,898
NET TELEPHONE PLANT - DECEMBER 31, 1978					
100.1 TELEPHONE PLANT IN SERVICE	$ 11,514,439	$ 2,198,459	$ 2,291,695	$ 933,907	$ 2,315,627
100.3 PROPERTY HELD FOR FUTURE USE	175,000	-	5,358	-	-
LESS: 171 & 172 DEP. & AMORT. RESERVES	1,666,665	888,123	618,531	209,105	533,632
NET TELEPHONE PLANT 12/31/78	$ 10,022,774	$ 1,310,336	$ 1,678,522	$ 724,802	$ 1,781,995
PRIMARY STATISTICS - DECEMBER 31, 1978					
MILES OF:					
WIRE IN CABLE	69,461.11	5,721.00	6,261.18	2,053.00	7,858.93
AERIAL WIRE	45.19	22.00	54.00	55.91	1.00
UNDERGROUND CONDUIT (SINGLE DUCT)	40.63	-	0.02	-	1.39
CARRIER CHANNEL (TELEPHONE)	3,565.33	865.00	230	695.17	451.50
NUMBER OF POLES	2,557	857	1,038	599	723
NUMBER OF CENTRAL OFFICES	4	1	5	1	2
TYPE OF SWITCHBOARD	SXS	SXS	SXS	SXS	SXS
NUMBER OF EXCHANGE CIRCUITS	7,216	1,112	1,110	317	1,300
COMPANY TELEPHONES	15,282	2,198	2,504	1,012	1,983
AVERAGE * COMPANY TELEPHONES	14,308.5	2,121	2,381.5	963.5	1,924

* BEGINNING YEAR-END OF YEAR AVERAGE

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

ASSETS AND OTHER DEBITS	MC DANIEL TELEPHONE CO.	OLYMPIC TELEPHONE COMPANY	ORTING TELEPHONE COMPANY	PACIFIC NORTHWEST BELL TELEPHONE COMPANY	PENINSULA TELEPHONE AND TELEGRAPH COMPANY
TELEPHONE PLANT					
100.1 TELEPHONE PLANT IN SERVICE	$ 1,666,911	$ 1,943,427	$ 2,004,224	$ 2,822,726,767	$ 6,411,735
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	-	182,795	34,656	121,257,326	-
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	-	-	-	1,069,690	-
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	-	-	-	-	-
SUBTOTAL	1,666,911	2,126,222	2,038,880	2,945,053,784	6,411,735
LESS : 171 DEPRECIATION RESERVE	666,972	481,458	412,397	544,842,510	1,996,629
172 AMORTIZATION RESERVE	-	-	-	3,240	-
LESS RESERVES	999,939	1,644,764	1,626,483	2,400,208,034	4,415,106
TOTAL NET TELEPHONE PLANT	999,939	1,644,764	1,626,483	2,400,208,034	4,415,106
INVESTMENTS AND FUNDS					
101.1 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
101.2 ADVANCES TO AFFILIATED COMPANIES	-	-	-	45	-
102 OTHER INVESTMENTS	7,113	-	-	42,996	542,978
103 MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	2,714,536	-
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
TOTAL	7,113	-	-	2,757,577	542,978
CURRENT ASSETS					
113 CASH	29,473	100	50	5,345,851	68,059
114 SPECIAL CASH DEPOSITS	-	-	-	20,309	-
115 WORKING FUNDS	153	-	-	677,276	-
116 TEMPORARY CASH INVESTMENTS	86,442	-	-	-	-
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	-	-
118 DUE FROM CUSTOMERS AND AGENTS	49,987	86,743	58,304	123,610,237	233,038
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	-	151,531	-	1,488,228	-
120.2 OTHER ACCOUNTS RECEIVABLE	-	-	-	23,533,989	10,000
121 INTEREST AND DIVIDENDS RECEIVABLE	-	-	-	-	-
122 MATERIAL AND SUPPLIES	6,591	8,225	34,438	24,144,179	39,816
123 OTHER CURRENT ASSETS	-	-	-	293,902	-
TOTAL	172,647	246,599	92,792	179,113,970	350,913
PREPAID ACCOUNTS & DEFERRED CHARGES					
129 PREPAID RENTS	-	-	-	955,708	5,000
130 PREPAID TAXES	-	-	-	209,259	2,554
131 PREPAID INSURANCE	2,554	-	-	30,653	4,680
132 PREPAID DIRECTORY EXPENSES	-	-	-	19,218,753	-
133 OTHER PREPAYMENTS	1,482	-	-	830,326	-
135 DISCOUNT ON LONG-TERM DEBT	1,265	5,720	4,408	3,659,378	13,088
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	-	-	-	-	-
139 OTHER DEFERRED CHARGES	-	-	-	7,943,465	27,514
TOTAL	5,301	5,720	4,408	32,847,541	52,836
TOTAL ASSETS & OTHER DEBITS	$ 1,185,000	$ 1,897,083	$ 1,723,683	$ 2,614,927,122	$ 5,361,833

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

LIABILITIES AND OTHER CREDITS	MC DANIEL TELEPHONE CO.	OLYMPIC TELEPHONE COMPANY	ORTING TELEPHONE COMPANY	PACIFIC NORTHWEST BELL TELEPHONE COMPANY	PENINSULA TELEPHONE AND TELEGRAPH COMPANY
STOCKHOLDERS' EQUITY					
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 39,300	$ 60,250	$ 45,000	$ 549,505,561	$ 88,500
152 PREMIUM ON CAPITAL STOCK	-	-	173,700	73,031,521	9,653
179 OTHER CAPITAL	37	48,302	-	-	-
180 RETAINED EARNINGS RESERVED	116,425	-	-	-	-
181 UNAPPROPRIATED RETAINED EARNINGS	723,157	705,978	565,503	373,043,820	2,229,422
SUBTOTAL	878,919	814,530	784,203	995,580,902	2,327,575
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	-	-	-	-	-
134.2 CAPITAL STOCK EXPENSE	-	-	-	69,700	-
TOTAL NET STOCKHOLDERS' EQUITY	878,919	814,530	784,203	995,511,202	2,327,575
LONG-TERM DEBT					
154.1 FUNDED DEBT	154,190	638,753	593,989	840,000,000	2,107,337
156 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	100,000,000	-
157 OTHER LONG-TERM DEBT	-	-	-	189,666	-
TOTAL	154,190	638,753	593,989	940,189,666	2,107,337
CURRENT AND ACCRUED LIABILITIES					
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	-
158.2 OTHER NOTES PAYABLE	-	-	-	106,839,100	350,000
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	-	-	97,525	40,738,642	-
159.2 OTHER ACCOUNTS PAYABLE	24,569	187,514	17,232	107,098,186	198,379
160 CUSTOMERS' DEPOSITS	1,633	986	2,644	5,117,675	16,403
162 MATURED INTEREST AND DIVIDENDS	5,750	-	-	1,857,959	-
163 MATURED LONG-TERM DEBT	-	-	-	-	-
164 ADVANCE BILLING AND PAYMENTS	-	24,315	25,710	22,048,598	-
165 OTHER CURRENT LIABILITIES	-	17,040	3,749	1,537,169	103,801
166 TAXES ACCRUED	8,217	24,084	34,061	45,255,928	10,432
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	6,813	1,056	441	17,746,615	32,319
TOTAL	46,981	254,995	181,362	348,239,873	711,334
DEFERRED CREDITS AND OPERATING RESERVES					
168 PREMIUM ON LONG-TERM DEBT	-	-	-	1,047,592	-
169 INSURANCE RESERVE	-	-	-	-	-
170 PROVIDENT RESERVES	-	-	-	1,016,859	-
174 OTHER DEFERRED CREDITS	59,064	79,046	77,642	115,733,788	215,587
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	45,847	96,385	75,168	207,979,747	-
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	-	13,374	11,319	5,208,395	-
TOTAL	104,911	188,805	164,129	330,986,382	215,587
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,185,000	$ 1,897,083	$ 1,723,683	$ 2,614,927,122	$ 5,361,833

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EAWNINGS STATEMENT
YEAR 1978

	MC DANIEL TELEPHONE CO.	OLYMPIC TELEPHONE COMPANY	ORTING TELEPHONE COMPANY	PACIFIC NORTHWEST BELL TELEPHONE COMPANY	PENINSULA TELEPHONE AND TELEGRAPH COMPANY
NET INCOME:					
NET OPERATING INCOME - WASHINGTON	$ 96,134	$ 168,944	$ 187,326	$ 116,415,441	$ 495,304
- OTHER STATES	-	-	-	80,462,620	-
TOTAL NET OPERATING INCOME	$ 96,134	$ 168,944	$ 187,326	$ 196,878,061	$ 495,304
INTEREST CHARGED TO CONSTRUCTION	-	5,685	2,952	8,601,744	-
OTHER INCOME	3,546	-	-	10,357	3,574
MISCELLANEOUS DEDUCTIONS FROM INCOME	508	92	106	555,761	600
INTEREST ON FUNDED DEBT	3,225	51,066	47,993	54,015,626	136,018
OTHER FIXED CHARGES	115	802	421	14,778,185	41,578
EXTRAORD/DELAYED ITEMS BEFORE TAX	-	-	1,442	3,706	-
INC. TX EFFECT OF EXTRAORD/DELAYED	-	-	-	(6,756)	-
NET INCOME	$ 95,832	$ 122,669	$ 143,200	$ 136,151,052	$ 320,682
RETAINED EARNINGS: (A/C 180 & 181)					
BALANCE AT BEGINNING OF YEAR	$ 627,325	$ 585,652	$ 481,735	$ 312,685,426	$ 1,972,903
CREDITS: NET INCOME (AS ABOVE)	95,832	122,669	143,200	136,151,052	320,682
OTHER CREDITS	-	-	-	1,084	-
TOTAL CREDITS	$ 95,832	$ 122,669	$ 143,200	$ 136,152,136	$ 320,682
DEBITS: DIVIDEND APPROPRIATIONS	-	2,343	59,432	75,790,771	64,163
OTHER DEBITS	-	-	-	2,970	-
TOTAL DEBITS	$ -	$ 2,343	$ 59,432	$ 75,793,741	$ 64,163
BALANCE AT END OF YEAR	$ 723,157	$ 705,978	$ 565,503	$ 373,043,820	$ 2,229,422

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY AND WASHINGTON OPERATIONS
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
YEAR 1978

	MC DANIEL TELEPHONE CO.	OLYMPIC TELEPHONE COMPANY	ORTING TELEPHONE COMPANY	----PACIFIC NORTHWEST BELL---- -------TELEPHONE COMPANY------ STATE OF WASHINGTON	TOTAL COMPANY	PENINSULA TELEPHONE AND TELEGRAPH COMPANY
NET OPERATING INCOME:						
OPERATING REVENUES						
LOCAL SERVICE	$ 144,757	$ 176,934	$ 225,364	$ 274,338,973	$ 455,440,415	$ 621,011
TOLL SERVICE	262,190	483,192	509,704	311,106,086	557,049,529	1,520,905
MISCELLANEOUS	27,070	34,151	13,649	49,715,498	73,798,832	153,774
UNCOLLECTIBLES - DEBIT	1,115	6,364	9,003	4,174,738	7,472,904	246
TOTAL OPERATING REVENUES	$ 432,902	$ 687,913	$ 739,714	$ 630,985,819	$ 1,078,815,872	$ 2,295,444
OPERATING REVENUE EXPENSES						
MAINTENANCE	$ 82,327	$ 160,728	$ 121,918	$ 120,540,435	$ 212,959,075	$ 553,327
DEPRECIATION AND AMORTIZATION	63,445	94,094	93,609	85,129,538	143,170,394	388,552
TRAFFIC	3,661	4,757	4,893	35,986,692	64,114,317	14,381
COMMERCIAL	1,773	42,024	32,640	59,873,083	101,173,154	119,199
GENERAL OFFICE	100,857	28,272	33,217	38,207,672	66,775,967	294,516
OTHER OPERATING EXPENSES	25,260	27,207	68,640	62,947,999	107,100,752	183,986
TOTAL OPERATING REVENUE EXPENSES	$ 277,322	$ 357,082	$ 355,117	$ 402,685,419	$ 695,293,659	$ 1,553,961
INVESTMENT CREDIT - NET	10,471	10,000	20,000	18,703,184	29,986,239	42,964
FEDERAL INCOME TAXES	11,857	73,000	85,000	11,184,094	21,020,058	37,072
OTHER OPERATING TAXES	35,409	55,887	73,771	58,404,840	95,926,279	166,143
OPER. FED. INCOME TAX DEFER-ACC DEP	1,710	19,000	16,000	23,939,557	40,173,164	-
OPER. FED. INCOME TAX DEFER-OTHER	-	4,000	2,500	3,297,405	5,821,185	-
INC. CREDITS FROM PRIOR FED. TAXES	-	-	-	3,644,121	6,282,773	-
TOTAL OPERATING TAXES	$ 59,447	$ 161,887	$ 197,271	$ 111,884,959	$ 186,644,152	$ 246,179
TOTAL OPER. REVENUE DEDUCTIONS	$ 336,768	$ 518,969	$ 552,388	$ 514,570,378	$ 881,937,811	$ 1,800,140
NET OPERATING INCOME	$ 96,134	$ 168,944	$ 187,326	$ 116,415,441	$ 196,878,061	$ 495,304
NET TELEPHONE PLANT - DECEMBER 31, 1978						
100.1 TELEPHONE PLANT IN SERVICE	$ 1,666,911	$ 1,943,427	$ 2,004,224	$ 1,684,343,048	$ 2,822,726,767	$ 6,411,735
100.3 PROPERTY HELD FOR FUTURE USE	-	-	-	539,101	1,069,690	-
LESS: 171 & 172 DEP. & AMORT. RESERVES	666,972	481,458	412,397	333,527,676	544,845,750	1,996,629
NET TELEPHONE PLANT 12/31/78	$ 999,939	$ 1,461,969	$ 1,591,827	$ 1,351,354,473	$ 2,278,950,707	$ 4,415,106
PRIMARY STATISTICS - DECEMBER 31, 1978						
MILES OF:						
WIRE IN CABLE	4,995.00	11,937.76	17,686.31	16,289,680.00	25,996,626.00	24,609.70
AERIAL WIRE	1,885.00	185.87	79.68	30,912.00	63,708.00	-
UNDERGROUND CONDUIT (SINGLE DUCT)	-	-	-	8,642.00	14,335.00	0.50
CARRIER CHANNEL (TELEPHONE)	-	281.50	304.54	5,827,560.00	12,479,600.00	12,799.00
NUMBER OF POLES	2,350	2,003	629	225,431	389,171	1,018
NUMBER OF CENTRAL OFFICES	3	2	2	301	502	5
TYPE OF SWITCHBOARD	SXS	SXS	SXS	MULTI	MULTI	SXS, RELAY
NUMBER OF EXCHANGE CIRCUITS	1,050	1,237	1,425	1,302,710	2,110,884	3,491
COMPANY TELEPHONES	2,461	2,760	2,876	2,209,094	3,623,053	6,999
AVERAGE * COMPANY TELEPHONES	2,368.5	2,598.5	2,673	2,145,857	3,521,030	6,662

* BEGINNING YEAR-END OF YEAR AVERAGE

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

ASSETS AND OTHER DEBITS	PIONEER TELEPHONE COMPANY	PRESCOTT TELEPHONE & TELEGRAPH COMPANY	PUGET ISLAND TELEPHONE COMPANY	RAINIER TELEPHONE COMPANY	ST. JOHN CO-OPERATIVE TELEPHONE AND TELEGRAPH COMPANY
TELEPHONE PLANT					
100.1 TELEPHONE PLANT IN SERVICE	$ 1,244,627	$ 876,529	$ 226,840	$ 1,622,107	$ 1,091,826
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	91,381	108	17,519	117,560	38,414
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	-	-	-	-	-
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	-	-	450	-	-
SUBTOTAL	1,336,008	876,637	244,809	1,739,667	1,130,240
LESS : 171 DEPRECIATION RESERVE	390,551	330,672	80,583	363,163	391,996
172 AMORTIZATION RESERVE	-	-	-	-	-
LESS RESERVES	945,457	545,965	164,226	1,376,504	738,244
TOTAL NET TELEPHONE PLANT	945,457	545,965	164,226	1,376,504	738,244
INVESTMENTS AND FUNDS					
101.1 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
101.2 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
102 OTHER INVESTMENTS	7,238	-	-	-	-
103 MISCELLANEOUS PHYSICAL PROPERTY	17,372	-	-	-	2,004
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	-	-	-	2,955	-
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	4,250
TOTAL	24,610	-	-	2,955	6,254
CURRENT ASSETS					
113 CASH	23,824	5,439	-	15	28,917
114 SPECIAL CASH DEPOSITS	-	-	-	-	-
115 WORKING FUNDS	-	-	-	-	70
116 TEMPORARY CASH INVESTMENTS	78,263	-	-	-	21,667
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	-	-
118 DUE FROM CUSTOMERS AND AGENTS	8,431	24,960	10,598	34,056	4,257
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	-	4,119	18,127	-	1,417
120.2 OTHER ACCOUNTS RECEIVABLE	-	16,987	-	11,398	-
121 INTEREST AND DIVIDENDS RECEIVABLE	-	-	-	-	130
122 MATERIAL AND SUPPLIES	15,946	1,367	-	46,543	42,355
123 OTHER CURRENT ASSETS	-	25,368	-	-	-
TOTAL	126,464	78,240	28,725	92,012	98,812
PREPAID ACCOUNTS & DEFERRED CHARGES					
129 PREPAID RENTS	150	327	-	-	291
130 PREPAID TAXES	-	-	-	-	11,325
131 PREPAID INSURANCE	-	-	-	-	2,388
132 PREPAID DIRECTORY EXPENSES	-	-	-	-	-
133 OTHER PREPAYMENTS	-	849	514	-	352
135 DISCOUNT ON LONG-TERM DEBT	6,949	4,748	-	5,491	3,965
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	-	-	-	-	-
139 OTHER DEFERRED CHARGES	-	-	-	1,772	-
TOTAL	7,099	5,924	514	7,263	18,322
TOTAL ASSETS & OTHER DEBITS	$ 1,103,630	$ 630,130	$ 193,465	$ 1,478,734	$ 861,633

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

LIABILITIES AND OTHER CREDITS	PIONEER TELEPHONE COMPANY	PRESCOTT TELEPHONE & TELEGRAPH COMPANY	PUGET ISLAND TELEPHONE COMPANY	RAINIER TELEPHONE COMPANY	ST. JOHN CO OPERATIVE TELEPHONE AND TELEGRAPH COMPANY
STOCKHOLDERS' EQUITY					
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 58,732	$ 43,150	$ 20,000	$ 35,460	$ 42,080
152 PREMIUM ON CAPITAL STOCK	-	-	11,146	-	-
179 OTHER CAPITAL	-	-	-	150,000	-
180 RETAINED EARNINGS RESERVED	-	-	-	-	-
181 UNAPPROPRIATED RETAINED EARNINGS	410,263	175,305	90,512	555,291	398,926
SUBTOTAL	468,995	218,455	121,658	740,751	441,006
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	-	-	-	-	-
134.2 CAPITAL STOCK EXPENSE	294	250	-	-	-
TOTAL NET STOCKHOLDERS' EQUITY	468,701	218,205	121,658	740,751	441,006
LONG-TERM DEBT					
154.1 FUNDED DEBT	553,551	363,010	31,180	316,724	320,924
156 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
157 OTHER LONG-TERM DEBT	-	-	-	4,700	-
TOTAL	553,551	363,010	31,180	321,424	320,924
CURRENT AND ACCRUED LIABILITIES					
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	-
158.2 OTHER NOTES PAYABLE	-	-	-	-	-
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	-	5,970	-	141,852	-
159.2 OTHER ACCOUNTS PAYABLE	10,910	11,045	23,753	78,265	53,891
160 CUSTOMERS' DEPOSITS	450	1,247	120	1,367	325
162 MATURED INTEREST AND DIVIDENDS	-	-	-	-	-
163 MATURED LONG-TERM DEBT	-	-	-	-	-
164 ADVANCE BILLING AND PAYMENTS	-	-	1,870	13,667	-
165 OTHER CURRENT LIABILITIES	7,135	13,063	-	7,293	2,777
166 TAXES ACCRUED	18,785	1,172	2,861	13,122	3,961
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	-	-	110	2,430	30
TOTAL	37,280	32,497	28,714	257,996	60,984
DEFERRED CREDITS AND OPERATING RESERVES					
168 PREMIUM ON LONG-TERM DEBT	-	-	-	-	-
169 INSURANCE RESERVE	-	-	-	-	-
170 PROVIDENT RESERVES	-	-	-	-	-
174 OTHER DEFERRED CREDITS	44,098	14,139	3,558	56,327	38,718
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	-	2,278	7,717	84,366	-
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	-	-	638	17,870	-
TOTAL	44,098	16,417	11,913	158,563	38,718
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,103,630	$ 630,130	$ 193,465	$ 1,478,734	$ 861,633

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT
YEAR 1978

	PIONEER TELEPHONE COMPANY	PRESCOTT TELEPHONE & TELEGRAPH COMPANY	PUGET ISLAND TELEPHONE COMPANY	RAINIER TELEPHONE COMPANY	ST. JOHN CO-OPERATIVE TELEPHONE AND TELEGRAPH COMPANY
NET INCOME:					
NET OPERATING INCOME - WASHINGTON	$ 75,864	$ 31,080	$ 17,262	$ 143,220	$ 56,565
- OTHER STATES	-	-	-	-	-
TOTAL NET OPERATING INCOME	$ 75,864	$ 31,080	$ 17,262	$ 143,220	$ 56,565
INTEREST CHARGED TO CONSTRUCTION	-	-	306	3,891	-
OTHER INCOME	7,378	1,390	59	-	2,905
MISCELLANEOUS DEDUCTIONS FROM INCOME	1,375	224	-	593	565
INTEREST ON FUNDED DEBT	11,366	7,431	1,910	30,075	5,344
OTHER FIXED CHARGES	406	759	3	798	235
EXTRAORD/DELAYED ITEMS BEFORE TAX	-	-	-	-	-
INC. TX EFFECT OF EXTRAORD/DELAYED	-	-	-	-	-
NET INCOME	$ 70,095	$ 24,056	$ 15,714	$ 115,645	$ 53,326
RETAINED EARNINGS: (A/C 180 & 181)					
BALANCE AT BEGINNING OF YEAR	$ 357,886	$ 151,249	$ 80,798	$ 442,039	$ 351,912
CREDITS: NET INCOME (AS ABOVE)	70,095	24,056	15,714	115,645	53,326
OTHER CREDITS	-	-	-	-	-
TOTAL CREDITS	$ 70,095	$ 24,056	$ 15,714	$ 115,645	$ 53,326
DEBITS: DIVIDEND APPROPRIATIONS	17,718	-	6,000	2,393	6,312
OTHER DEBITS	-	-	-	-	-
TOTAL DEBITS	$ 17,718	$ -	$ 6,000	$ 2,393	$ 6,312
BALANCE AT END OF YEAR	$ 410,263	$ 175,305	$ 90,512	$ 555,291	$ 398,926

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY AND WASHINGTON OPERATIONS
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
YEAR 1978

	PIONEER TELEPHONE COMPANY	PRESCOTT TELEPHONE & TELEGRAPH COMPANY	PUGET ISLAND TELEPHONE COMPANY	RAINIER TELEPHONE COMPANY	ST. JOHN CO-OPERATIVE TELEPHONE AND TELEGRAPH COMPANY
NET OPERATING INCOME:					
OPERATING REVENUES					
LOCAL SERVICE	$ 84,286	$ 114,742	$ 32,958	$ 155,708	$ 68,897
TOLL SERVICE	237,280	136,828	43,751	363,785	181,104
MISCELLANEOUS	1,061	10,488	35	15,292	849
UNCOLLECTIBLES - DEBIT	-	1,258	854	1,833	1,624
TOTAL OPERATING REVENUES	$ 322,627	$ 260,800	$ 75,890	$ 532,952	$ 249,226
OPERATING REVENUE EXPENSES					
MAINTENANCE	$ 40,099	$ 38,407	$ 16,564	$ 92,395	$ 16,134
DEPRECIATION AND AMORTIZATION	44,792	32,377	10,687	82,370	54,674
TRAFFIC	1,686	1,833	793	4,156	1,121
COMMERCIAL	1,787	21,079	3,601	29,041	13,501
GENERAL OFFICE	53,393	93,531	3,356	22,182	68,912
OTHER OPERATING EXPENSES	37,632	18,257	3,581	25,241	13,473
TOTAL OPERATING REVENUE EXPENSES	$ 179,389	$ 205,483	$ 38,582	$ 255,385	$ 167,814
INVESTMENT CREDIT - NET	2,258	2,399	500	10,000	15,981
FEDERAL INCOME TAXES	35,113	(1,500)	12,000	75,000	(8,302)
OTHER OPERATING TAXES	30,003	21,938	6,296	32,347	17,168
OPER. FED. INCOME TAX DEFER-ACC DEP	-	1,278	1,000	13,000	-
OPER. FED. INCOME TAX DEFER-OTHER	-	-	250	4,000	-
INC. CREDITS FROM PRIOR FED. TAXES	-	(123)	-	-	-
TOTAL OPERATING TAXES	$ 67,374	$ 24,238	$ 20,046	$ 134,347	$ 24,847
TOTAL OPER. REVENUE DEDUCTIONS	$ 246,763	$ 229,720	$ 58,628	$ 389,732	$ 192,661
NET OPERATING INCOME	$ 75,864	$ 31,080	$ 17,262	$ 143,220	$ 56,565
NET TELEPHONE PLANT - DECEMBER 31, 1978					
100.1 TELEPHONE PLANT IN SERVICE	$ 1,244,627	$ 876,529	$ 226,840	$ 1,622,107	$ 1,091,826
100.3 PROPERTY HELD FOR FUTURE USE	-	-	-	-	-
LESS: 171 & 172 DEP. & AMORT. RESERVES	390,551	330,672	80,583	363,163	391,996
NET TELEPHONE PLANT 12/31/78	$ 854,076	$ 545,857	$ 146,257	$ 1,258,944	$ 699,830
PRIMARY STATISTICS - DECEMBER 31, 1978					
MILES OF:					
WIRE IN CABLE	4,016.60	7,548.20	1,018.66	6,899.88	3,806.66
AERIAL WIRE	8.19	0.30	0.71	187.03	1.31
UNDERGROUND CONDUIT (SINGLE DUCT)	.08	-	-	0.40	-
CARRIER CHANNEL (TELEPHONE)	2,144.72	199.40	9.76	1,331.10	-
NUMBER OF POLES	739	259	-	3,962	130
NUMBER OF CENTRAL OFFICES	2	2	1	2	1
TYPE OF SWITCHBOARD	SXS	SXS	SXS	SXS	SXS
NUMBER OF EXCHANGE CIRCUITS	556	780	186	881	500
COMPANY TELEPHONES	1,186	1,044	377	1,893	844
AVERAGE * COMPANY TELEPHONES	1,163.5	1,013.5	373	1,829	832

* BEGINNING YEAR-END OF YEAR AVERAGE

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

ASSETS AND OTHER DEBITS	SOUND TELEPHONE COMPANY	TENINO TELEPHONE COMPANY	TIMBERLAND TELEPHONE COMPANY	TOLEDO TELEPHONE CO., INC., THE	UNITED TELEPHONE COMPANY OF THE NORTHWEST
TELEPHONE PLANT					
100.1 TELEPHONE PLANT IN SERVICE	$ 1,408,436	$ 2,622,624	$ 5,609,567	$ 1,979,354	$ 114,033,123
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	51,245	-	537,610	33,769	7,678,078
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	-	-	-	-	3,240
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	-	-	-	-	-
SUBTOTAL	1,459,681	2,622,624	6,147,177	2,013,123	121,714,441
LESS : 171 DEPRECIATION RESERVE	322,148	459,625	582,892	432,962	24,498,697
172 AMORTIZATION RESERVE	-	-	-	-	-
LESS RESERVES	1,137,533	2,162,999	5,564,285	1,580,161	97,215,744
TOTAL NET TELEPHONE PLANT	1,137,533	2,162,999	5,564,285	1,580,161	97,215,744
INVESTMENTS AND FUNDS					
101.1 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	180,000
101.2 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
102 OTHER INVESTMENTS	-	54,100	-	39,675	9,272
103 MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	10,000	11,072
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	-
TOTAL	-	54,100	-	49,675	200,344
CURRENT ASSETS					
113 CASH	-	158,555	600	24,068	(832,065)
114 SPECIAL CASH DEPOSITS	-	-	-	-	97,523
115 WORKING FUNDS	-	-	-	-	307,079
116 TEMPORARY CASH INVESTMENTS	-	-	-	-	-
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	-	400,000
118 DUE FROM CUSTOMERS AND AGENTS	68,723	69,483	331,255	46,413	2,608,368
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	-	55,613
120.2 OTHER ACCOUNTS RECEIVABLE	-	-	-	28,400	2,355,446
121 INTEREST AND DIVIDENDS RECEIVABLE	-	-	-	-	(86)
122 MATERIAL AND SUPPLIES	-	-	102,231	-	1,721,428
123 OTHER CURRENT ASSETS	-	-	-	-	18,332
TOTAL	68,723	228,038	434,086	98,881	6,731,638
PREPAID ACCOUNTS & DEFERRED CHARGES					
129 PREPAID RENTS	-	-	-	-	7,984
130 PREPAID TAXES	-	5,522	-	-	-
131 PREPAID INSURANCE	-	-	-	-	11,660
132 PREPAID DIRECTORY EXPENSES	-	-	-	-	-
133 OTHER PREPAYMENTS	-	-	-	-	10,729
135 DISCOUNT ON LONG-TERM DEBT	1,960	2,839	3,210	4,424	316,559
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	-	-	-	-	-
139 OTHER DEFERRED CHARGES	-	-	-	668	732,437
TOTAL	1,960	8,361	3,210	5,092	1,079,369
TOTAL ASSETS & OTHER DEBITS	$ 1,208,216	$ 2,453,498	$ 6,001,581	$ 1,733,809	$ 105,227,095

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

LIABILITIES AND OTHER CREDITS	SOUND TELEPHONE COMPANY	TENINO TELEPHONE COMPANY	TIMBERLAND TELEPHONE COMPANY	TOLEDO TELEPHONE CO., INC., THE	UNITED TELEPHONE COMPANY OF THE NORTHWEST
STOCKHOLDERS' EQUITY					
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 82,075	$ 97,200	$ 50,125	$ 23,000	$ 16,265,232
152 PREMIUM ON CAPITAL STOCK	-	-	94,231	-	2,579
179 OTHER CAPITAL	75,000	-	1,296,075	-	33,198
180 RETAINED EARNINGS RESERVED	-	-	-	-	13,604,773
181 UNAPPROPRIATED RETAINED EARNINGS	541,527	881,059	1,173,714	360,992	12,356,240
SUBTOTAL	698,602	978,259	2,614,145	383,992	42,262,022
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	-	-	-	-	5,000
134.2 CAPITAL STOCK EXPENSE	-	-	-	-	87,932
TOTAL NET STOCKHOLDERS' EQUITY	698,602	978,259	2,614,145	383,992	42,169,090
LONG-TERM DEBT					
154.1 FUNDED DEBT	200,000	1,279,227	872,115	1,155,236	36,833,500
156 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
157 OTHER LONG-TERM DEBT	-	-	-	-	-
TOTAL	200,000	1,279,227	872,115	1,155,236	36,833,500
CURRENT AND ACCRUED LIABILITIES					
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	2,000,000
158.2 OTHER NOTES PAYABLE	-	-	-	89,000	5,000,000
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	116,610	-	1,266,723	-	689,135
159.2 OTHER ACCOUNTS PAYABLE	50,379	87,702	361,522	89,017	1,838,775
160 CUSTOMERS' DEPOSITS	726	-	5,552	1,387	242,029
162 MATURED INTEREST AND DIVIDENDS	-	6,309	-	-	-
163 MATURED LONG-TERM DEBT	-	-	-	-	-
164 ADVANCE BILLING AND PAYMENTS	12,222	-	80,788	-	340,109
165 OTHER CURRENT LIABILITIES	-	5,400	25,806	-	142,178
166 TAXES ACCRUED	13,431	26,903	66,880	4,178	1,892,202
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	5,112	-	1,817	-	1,153,038
TOTAL	198,480	126,314	1,809,088	183,582	13,297,466
DEFERRED CREDITS AND OPERATING RESERVES					
168 PREMIUM ON LONG-TERM DEBT	-	-	-	-	479
169 INSURANCE RESERVE	-	-	-	-	-
170 PROVIDENT RESERVES	-	-	-	-	-
174 OTHER DEFERRED CREDITS	51,275	69,698	291,744	10,999	5,080,584
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	52,115	-	372,427	-	7,845,976
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	7,744	-	42,062	-	-
TOTAL	111,134	69,698	706,233	10,999	12,927,039
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,208,216	$ 2,453,498	$ 6,001,581	$ 1,733,809	$ 105,227,095

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT
YEAR 1978

	SOUND TELEPHONE COMPANY	TENINO TELEPHONE COMPANY	TIMBERLAND TELEPHONE COMPANY	TOLEDO TELEPHONE CO., INC., THE	UNITED TELEPHONE COMPANY OF THE NORTHWEST
NET INCOME:					
NET OPERATING INCOME - WASHINGTON	$ 118,442	$ 224,527	$ 451,654	$ 117,397	$ 5,086,922
- OTHER STATES	-	-	-	-	3,958,646
TOTAL NET OPERATING INCOME	$ 118,442	$ 224,527	$ 451,654	$ 117,397	$ 9,045,568
INTEREST CHARGED TO CONSTRUCTION	5,300	-	19,902	-	368,086
OTHER INCOME	-	-	-	-	160,879
MISCELLANEOUS DEDUCTIONS FROM INCOME	-	715	-	2,740	71,464
INTEREST ON FUNDED DEBT	19,902	47,222	80,358	23,462	2,998,456
OTHER FIXED CHARGES	261	96	243	6,840	209,851
EXTRAORD/DELAYED ITEMS BEFORE TAX	-	-	-	-	-
INC. TX EFFECT OF EXTRAORD/DELAYED	-	-	-	-	-
NET INCOME	$ 103,579	$ 176,494	$ 390,955	$ 84,355	$ 6,294,762
RETAINED EARNINGS: (A/C 180 & 181)					
BALANCE AT BEGINNING OF YEAR	$ 493,598	$ 704,565	$ 983,259	$ 276,637	$ 14,975,886
CREDITS: NET INCOME (AS ABOVE)	103,579	176,494	390,955	84,355	6,294,762
OTHER CREDITS	-	-	-	-	-
TOTAL CREDITS	$ 103,579	$ 176,494	$ 390,955	$ 84,355	$ 6,294,762
DEBITS: DIVIDEND APPROPRIATIONS	55,650	-	200,500	-	3,565,242
OTHER DEBITS	-	-	-	-	5,349,166
TOTAL DEBITS	$ 55,650	$ -	$ 200,500	$ -	$ 8,914,408
BALANCE AT END OF YEAR	$ 541,527	$ 881,059	$ 1,173,714	$ 360,992	$ 12,356,240

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY AND WASHINGTON OPERATIONS
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
YEAR 1978

	SOUND TELEPHONE COMPANY	TENINO TELEPHONE COMPANY	TIMBERLAND TELEPHONE COMPANY	TOLEDO TELEPHONE CO., INC., THE	---UNITED TELEPHONE COMPANY--- -------OF THE NORTHWEST-------	
					STATE OF WASHINGTON	TOTAL COMPANY
NET OPERATING INCOME:						
OPERATING REVENUES						
LOCAL SERVICE	$ 138,250	$ 143,551	$ 761,197	$ 105,015	$ 6,198,558	$ 10,719,668
TOLL SERVICE	326,205	585,679	1,071,793	548,472	13,197,018	25,468,787
MISCELLANEOUS	3,953	7,907	66,701	10,238	508,582	1,073,482
UNCOLLECTIBLES - DEBIT	5,559	3,564	16,683	2,783	199,095	384,777
TOTAL OPERATING REVENUES	$ 462,849	$ 733,573	$ 1,883,008	$ 660,942	$ 19,705,063	$ 36,877,160
OPERATING REVENUE EXPENSES						
MAINTENANCE	$ 83,447	$ 75,662	$ 429,887	$ 105,371	$ 3,530,083	$ 6,464,107
DEPRECIATION AND AMORTIZATION	66,086	96,040	260,231	91,825	3,540,815	6,521,629
TRAFFIC	4,309	2,636	19,702	2,168	820,079	1,516,874
COMMERCIAL	20,334	24,905	103,106	33,193	915,552	1,882,351
GENERAL OFFICE	19,484	152,791	74,020	163,525	1,156,271	2,335,749
OTHER OPERATING EXPENSES	34,359	53,529	94,439	89,521	629,849	1,465,714
TOTAL OPERATING REVENUE EXPENSES	$ 228,019	$ 405,563	$ 981,385	$ 485,603	$ 10,592,649	$ 20,186,424
INVESTMENT CREDIT - NET	16,000	36,501	116,000	5,603	792,811	1,219,205
FEDERAL INCOME TAXES	56,000	10,155	92,000	1,618	929,013	2,106,440
OTHER OPERATING TAXES	31,388	56,827	133,969	51,071	1,307,930	2,708,474
OPER. FED. INCOME TAX DEFER-ACC DEP	11,000	-	96,000	-	995,738	1,611,049
OPER. FED. INCOME TAX DEFER-OTHER	2,000	-	12,000	(350)	-	-
INC. CREDITS FROM PRIOR FED. TAXES	-	-	-	-	-	-
TOTAL OPERATING TAXES	$ 116,388	$ 103,483	$ 449,969	$ 57,942	$ 4,025,492	$ 7,645,168
TOTAL OPER. REVENUE DEDUCTIONS	$ 344,407	$ 509,046	$ 1,431,354	$ 543,545	$ 14,618,141	$ 27,831,592
NET OPERATING INCOME	$ 118,442	$ 224,527	$ 451,654	$ 117,397	$ 5,086,922	$ 9,045,568
NET TELEPHONE PLANT - DECEMBER 31, 1978						
100.1 TELEPHONE PLANT IN SERVICE	$ 1,408,436	$ 2,622,624	$ 5,609,567	$ 1,979,354	$ 60,581,349	$ 114,033,123
100.3 PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	3,240
LESS: 171 & 172 DEP. & AMORT. RESERVES	322,148	459,625	582,892	432,962	12,443,882	24,498,697
NET TELEPHONE PLANT 12/31/78	$ 1,086,288	$ 2,162,999	$ 5,026,675	$ 1,546,392	$ 48,137,467	$ 89,537,666
PRIMARY STATISTICS - DECEMBER 31, 1978						
MILES OF:						
WIRE IN CABLE	6,983.83	9,938.80	36,215.47	6,631.45	280,931.79	591,107.25
AERIAL WIRE	358.04	12.40	195.78	-	8,900.54	12,851.74
UNDERGROUND CONDUIT (SINGLE DUCT)	-	3.76	2.59	-	16.59	21.85
CARRIER CHANNEL (TELEPHONE)	1,141.73	-	1,993.84	672.52	14,833	37,495.00
NUMBER OF POLES	776	625	2,184	153	21,112	39,373
NUMBER OF CENTRAL OFFICES	1	1	3	1	31	61
TYPE OF SWITCHBOARD	SXS	X-BAR	SXS, X-BAR	X-BAR	SXS,X-BAR,PANEL	SXS,X-BAR,PANEL
NUMBER OF EXCHANGE CIRCUITS	686	1,200	4,347	1,210	29,344	56,575
COMPANY TELEPHONES	2,360	2,267	10,199	1,788	64,039	117,442
AVERAGE * COMPANY TELEPHONES	2,195	2,062	9,540.5	1,690	61,181	112,212.5

* BEGINNING YEAR-END OF YEAR AVERAGE

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEETS - ASSETS AND OTHER DEBITS
DECEMBER 31, 1978

ASSETS AND OTHER DEBITS	VASHON TELEPHONE COMPANY	WESTERN WAHKIAKUM COUNTY TELEPHONE COMPANY	WHIDBEY TELEPHONE COMPANY	YELM TELEPHONE COMPANY	TOTAL TELEPHONE COMPANIES
TELEPHONE PLANT					
100.1 TELEPHONE PLANT IN SERVICE	$ 3,239,762	$ 1,793,528	$ 5,816,328	$ 3,892,722	$ 3,973,558,669
100.2 TELEPHONE PLANT UNDER CONSTRUCTION	96,466	54,010	20,698	9,763	193,915,788
100.3 PROPERTY HELD FOR FUTURE TELEPHONE USE	-	-	-	-	4,585,949
100.4 TELEPHONE PLANT ACQUISITION ADJUSTMENT	77,673	-	-	-	172,795
SUBTOTAL	3,413,901	1,847,538	5,837,026	3,902,485	4,172,233,203
LESS : 171 DEPRECIATION RESERVE	1,161,166	686,115	2,266,637	1,179,867	787,198,743
172 AMORTIZATION RESERVE	-	276	-	-	3,516
LESS RESERVES	2,252,735	1,161,147	3,570,389	2,722,618	3,385,030,944
TOTAL NET TELEPHONE PLANT	2,252,735	1,161,147	3,570,389	2,722,618	3,385,030,944
INVESTMENTS AND FUNDS					
101.1 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	4,580,102
101.2 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	45
102 OTHER INVESTMENTS	-	39,865	-	121,021	1,170,730
103 MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	2,942,303
104 SINKING FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	2,955
136 PROVIDENT FUNDS (EXCLUDING OWN ISSUES)	-	-	-	-	4,250
TOTAL	-	39,865	-	121,021	8,700,385
CURRENT ASSETS					
113 CASH	75	29,632	83,738	171,989	7,329,590
114 SPECIAL CASH DEPOSITS	-	2	-	-	233,378
115 WORKING FUNDS	-	-	275	-	1,310,195
116 TEMPORARY CASH INVESTMENTS	-	138,611	-	-	647,158
117.1 NOTES RECEIVABLE FROM AFFILIATED COMPANIES	-	-	-	-	1,315,000
118 DUE FROM CUSTOMERS AND AGENTS	67,929	57,914	108,691	40,494	161,220,299
120.1 ACCOUNTS RECEIVABLE FROM AFFILIATED COMPANIES	74,296	-	3,498	-	4,387,997
120.2 OTHER ACCOUNTS RECEIVABLE	4,413	14,153	-	60,700	32,354,621
121 INTEREST AND DIVIDENDS RECEIVABLE	-	159	-	-	803
122 MATERIAL AND SUPPLIES	4,993	9,496	46,585	36,056	36,148,052
123 OTHER CURRENT ASSETS	-	-	95,050	-	433,920
TOTAL	151,706	249,966	337,838	309,239	245,381,011
PREPAID ACCOUNTS & DEFERRED CHARGES					
129 PREPAID RENTS	-	-	-	-	982,230
130 PREPAID TAXES	-	-	-	-	261,375
131 PREPAID INSURANCE	-	5,961	7,833	5,626	537,116
132 PREPAID DIRECTORY EXPENSES	-	-	-	-	19,473,878
133 OTHER PREPAYMENTS	-	936	499	-	1,094,720
135 DISCOUNT ON LONG-TERM DEBT	4,021	26,016	5,910	1,656	7,661,873
138 EXTRAORDINARY MAINTENANCE & RETIREMENTS	-	-	-	-	8,400
139 OTHER DEFERRED CHARGES	-	-	1,310	-	9,934,429
TOTAL	4,021	32,913	15,552	7,282	39,954,021
TOTAL ASSETS & OTHER DEBITS	$ 2,408,462	$ 1,483,891	$ 3,923,779	$ 3,160,160	$ 3,679,066,363

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
BALANCE SHEET - LIABILITIES AND OTHER CREDITS
DECEMBER 31, 1978

LIABILITIES AND OTHER CREDITS	VASHON TELEPHONE COMPANY	WESTERN WAHKIAKUM COUNTY TELEPHONE COMPANY	WHIDBEY TELEPHONE COMPANY	YELM TELEPHONE COMPANY	TOTAL TELEPHONE COMPANIES
STOCKHOLDERS' EQUITY					
150 CAPITAL STOCK (ACTUALLY OUTSTANDING)	$ 10,500	$ 56,830	$ 95,000	$ 42,800	$ 791,978,831
152 PREMIUM ON CAPITAL STOCK	-	-	-	19,150	81,460,547
179 OTHER CAPITAL	160,000	100	-	266	11,738,640
180 RETAINED EARNINGS RESERVED	-	-	-	-	13,721,198
181 UNAPPROPRIATED RETAINED EARNINGS	1,250,877	386,645	1,181,836	1,013,111	498,941,364
SUBTOTAL	1,421,377	443,575	1,276,836	1,075,327	1,397,840,580
LESS: 134.1 DISCOUNT ON CAPITAL STOCK	-	-	-	-	5,000
134.2 CAPITAL STOCK EXPENSE	-	-	-	-	158,176
TOTAL NET STOCKHOLDERS' EQUITY	1,421,377	443,575	1,276,836	1,075,327	1,397,677,404
LONG-TERM DEBT					
154.1 FUNDED DEBT	518,667	900,798	2,166,996	1,585,361	1,246,343,113
156 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	100,000,000
157 OTHER LONG-TERM DEBT	-	-	-	-	237,137
TOTAL	518,667	900,798	2,166,996	1,585,361	1,346,580,250
CURRENT AND ACCRUED LIABILITIES					
158.1 NOTES PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	2,000,000
158.2 OTHER NOTES PAYABLE	-	-	-	-	162,867,283
159.1 ACCOUNTS PAYABLE TO AFFILIATED COMPANIES	-	-	-	-	49,721,418
159.2 OTHER ACCOUNTS PAYABLE	174,530	9,119	416,297	104,454	125,890,820
160 CUSTOMERS' DEPOSITS	2,548	4,885	11,317	9,484	5,732,131
162 MATURED INTEREST AND DIVIDENDS	-	-	-	-	1,870,018
163 MATURED LONG-TERM DEBT	-	-	-	-	-
164 ADVANCE BILLING AND PAYMENTS	4,643	8,408	-	-	28,214,948
165 OTHER CURRENT LIABILITIES	1,791	2,804	-	35,841	6,268,057
166 TAXES ACCRUED	36,350	70,660	52,333	68,524	64,847,562
167 UNMATURED INTEREST, DIVIDENDS & RENTS ACCRUED	4,000	1,958	-	8,905	28,380,959
TOTAL	223,862	97,834	479,947	227,208	475,793,199
DEFERRED CREDITS AND OPERATING RESERVES					
168 PREMIUM ON LONG-TERM DEBT	-	-	-	-	1,048,071
169 INSURANCE RESERVE	-	-	-	-	-
170 PROVIDENT RESERVES	-	-	-	-	2,669,365
174 OTHER DEFERRED CREDITS	76,542	41,683	-	150,779	168,177,369
176.1 ACCUM. DEFERRED INCOME TAXES - ACC. TAX DEP.	144,081	-	-	121,485	280,813,252
176.2 ACCUM. DEFERRED INCOME TAXES - OTHER	23,933	-	-	-	6,307,452
TOTAL	244,556	41,683	-	272,264	459,015,511
TOTAL LIABILITIES AND OTHER CREDITS	$ 2,408,462	$ 1,483,891	$ 3,923,779	$ 3,160,160	$ 3,679,066,363

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY OPERATIONS
INCOME AND RETAINED EARNINGS STATEMENT
YEAR 1978

	VASHON TELEPHONE COMPANY	WESTERN WAHKIAKUM COUNTY TELEPHONE COMPANY	WHIDBEY TELEPHONE COMPANY	YELM TELEPHONE COMPANY	TOTAL TELEPHONE COMPANIES
NET INCOME:					
NET OPERATING INCOME - WASHINGTON	$ 245,177	$ 118,625	$ 352,803	$ 279,725	$ 166,746,897
- OTHER STATES	-	-	-	-	110,311,802
TOTAL NET OPERATING INCOME	$ 245,177	$ 118,625	$ 352,803	$ 279,725	$ 277,058,699
INTEREST CHARGED TO CONSTRUCTION	5,509	-	-	-	12,611,870
OTHER INCOME	-	4,918	1,603	6,650	942,316
MISCELLANEOUS DEDUCTIONS FROM INCOME	-	-	7,199	-	956,629
INTEREST ON FUNDED DEBT	44,189	25,902	45,654	71,885	80,701,075
OTHER FIXED CHARGES	1,823	1,233	12,893	9,414	18,643,014
EXTRAORD/DELAYED ITEMS BEFORE TAX	-	-	-	-	(526,190)
INC. TX EFFECT OF EXTRAORD/DELAYED	-	-	-	-	(263,093)
NET INCOME	$ 204,674	$ 96,408	$ 288,660	$ 205,076	$ 190,049,069
RETAINED EARNINGS: (A/C 180 & 181)					
BALANCE AT BEGINNING OF YEAR	$ 1,183,715	$ 290,237	$ 893,176	$ 831,015	$ 424,243,316
CREDITS: NET INCOME (AS ABOVE)	204,674	96,408	288,660	205,076	190,049,069
OTHER CREDITS	-	-	-	-	174,361
TOTAL CREDITS	$ 204,674	$ 96,408	$ 288,660	$ 205,076	$ 190,223,430
DEBITS: DIVIDEND APPROPRIATIONS	137,512	-	-	-	110,140,204
OTHER DEBITS	-	-	-	22,980	5,385,179
TOTAL DEBITS	$ 137,512	$ -	$ -	$ 22,980	$ 115,525,383
BALANCE AT END OF YEAR	$ 1,250,877	$ 386,645	$ 1,181,836	$ 1,013,111	$ 498,941,364

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY AND WASHINGTON OPERATIONS
NET OPERATING INCOME STATEMENT, NET TELEPHONE PLANT, AND PRIMARY STATISTICS
YEAR 1978

	VASHON TELEPHONE COMPANY	WESTERN WAHKIAKUM COUNTY TELEPHONE COMPANY	WHIDBEY TELEPHONE COMPANY	YELM TELEPHONE COMPANY	---TOTAL TELEPHONE COMPANIES-- STATE OF WASHINGTON	TOTAL COMPANY
NET OPERATING INCOME:						
OPERATING REVENUES						
LOCAL SERVICE	$ 343,174	$ 109,700	$ 519,123	$ 314,742	$ 369,163,725	$ 605,537,055
TOLL SERVICE	649,631	553,956	843,248	823,423	433,914,714	766,382,420
MISCELLANEOUS	28,486	6,917	68,332	16,305	56,043,084	83,983,669
UNCOLLECTIBLES - DEBIT	12,857	1,392	11,524	978	5,161,616	8,963,399
TOTAL OPERATING REVENUES	$ 1,008,434	$ 669,181	$ 1,419,180	$ 1,153,492	$ 853,959,910	$ 1,446,939,746
OPERATING REVENUE EXPENSES						
MAINTENANCE	$ 156,257	$ 79,240	$ 114,121	$ 126,580	$ 165,077,894	$ 285,622,001
DEFRECIATION AND AMORTIZATION	175,022	124,158	284,299	213,462	122,431,394	204,984,891
TRAFFIC	8,496	66,014	112,202	6,415	44,206,781	80,176,050
COMMERCIAL	54,617	11,113	143,852	66,591	75,459,637	127,538,872
GENERAL OFFICE	47,790	120,649	185,501	148,506	53,278,604	91,759,221
OTHER OPERATING EXPENSES	44,660	49,239	109,668	87,113	73,748,944	125,822,372
TOTAL OPERATING REVENUE EXPENSES	$ 486,842	$ 450,412	$ 949,642	$ 648,667	$ 534,203,249	$ 915,903,402
INVESTMENT CREDIT - NET	16,000	3,689	-	33,708	27,201,694	44,095,646
FEDERAL INCOME TAXES	142,000	50,105	-	76,714	13,866,742	25,773,332
OTHER OPERATING TAXES	83,415	46,351	116,734	87,300	78,655,655	128,415,658
OPER. FED. INCOME TAX DEFER-ACC DEP	29,000	-	-	27,378	33,556,787	56,520,999
OPER. FED. INCOME TAX DEFER-OTHER	6,000	-	-	-	3,421,681	5,974,896
INC. CREDITS FROM PRIOR FED. TAXES	-	-	-	-	3,692,792	6,802,884
TOTAL OPERATING TAXES	$ 276,415	$ 100,145	$ 116,734	$ 225,100	$ 153,009,767	$ 253,977,647
TOTAL OPER. REVENUE DEDUCTIONS	$ 763,257	$ 550,556	$ 1,066,377	$ 873,767	$ 687,213,013	$ 1,169,881,047
NET OPERATING INCOME	$ 245,177	$ 118,625	$ 352,803	$ 279,725	$ 166,746,897	$ 277,058,699
NET TELEPHONE PLANT - DECEMBER 31, 1978						
100.1 TELEPHONE PLANT IN SERVICE	$ 3,239,762	$ 1,793,528	$ 5,816,328	$ 3,892,722	$ 2,395,759,806	$ 3,973,558,669
100.3 PROPERTY HELD FOR FUTURE USE	-	-	-	-	1,517,711	4,585,949
LESS: 171 & 172 DEP. & AMORT. RESERVES	1,161,166	686,391	2,266,637	1,179,867	488,260,885	787,202,259
NET TELEPHONE PLANT 12/31/78	$ 2,078,596	$ 1,107,137	$ 3,549,691	$ 2,712,855	$ 1,909,016,632	$ 3,190,942,359
PRIMARY STATISTICS - DECEMBER 31, 1978						
MILES OF:						
WIRE IN CABLE	24,070.70	5,741.83	70,576.18	99,219.00	20,479,613.99	32,766,341.88
AERIAL WIRE	128.12	2.77	-	0.40	58,862.88	112,979.47
UNDERGROUND CONDUIT (SINGLE DUCT)	5.50	-	0.34	6.93	10,928.74	17,708.60
CARRIER CHANNEL (TELEPHONE)	932.00	465	717.00	148.00	6,261,062	13,269,713
NUMBER OF POLES	320	142	-	2,060	463,318	737,020
NUMBER OF CENTRAL OFFICES	2	2	2	3	527	846
TYPE OF SWITCHBOARD	SXS	SXS	MULTI	SXS	VARIOUS	VARIOUS
NUMBER OF EXCHANGE CIRCUITS	2,568	896	4,506	2,019	1,774,222	2,868,552
COMPANY TELEPHONES	4,657	1,152	5,305	4,491	2,993,346	4,893,925
AVERAGE * COMPANY TELEPHONES	4,481.5	1,103	4,996	4,235.5	2,896,398.0	4,735,346.5

* BEGINNING YEAR-END OF YEAR AVERAGE

WASHINGTON TELEPHONE COMPANIES - STATE OF WASHINGTON OPERATIONS
PLANT AND OPERATING REVENUES PER AVERAGE COMPANY TELEPHONE
1978

	AMOUNT PER AVERAGE COMPANY TELEPHONE						
TELEPHONE COMPANIES	TELEPHONE PLANT IN SERVICE (END OF YEAR)	DEPR. & AMORT. RESERVES (END OF YEAR)	LOCAL SERVICE REVENUES	TOLL SERVICE REVENUES	MISCELLANEOUS REVENUES	UNCOLLECTIBLES DEBT	TOTAL OPERATING REVENUES
ASOTIN TELEPHONE COMPANY	$ 918.03	$ 287.48	$ 118.60	$ 116.14	$ 10.49	$ 1.16	$ 244.08
STATE OF WASHINGTON	897.42	283.22	116.13	113.73	10.28	1.14	239.00
CASCADE AUTOVON COMPANY	.00	.00	.00	.00	.00	.00	.00
CASCADE TELEPHONE COMPANY	761.76	166.96	82.39	158.73	11.56	2.71	249.97
COLUMBIA BASIN TELEPHONE COMPANY	1,051.59	289.86	88.24	241.20	9.76	2.07	337.13
CONTINENTAL TELEPHONE COMPANY OF THE NW	974.97	166.36	112.23	190.21	9.07	2.01	309.50
STATE OF WASHINGTON	1,047.46	163.10	112.55	198.55	8.16	2.16	317.10
COWICHE TELEPHONE COMPANY	809.35	370.35	76.60	151.49	9.40	1.66	235.84
ELLENSBURG TELEPHONE COMPANY	900.36	278.97	105.77	122.33	5.13	1.14	232.09
EVERGREEN TELEPHONE COMPANY	902.34	188.49	72.84	221.58	6.86	2.72	298.56
GENERAL TELEPHONE COMPANY OF THE NW, INC	946.66	192.23	133.17	163.39	8.13	.81	303.88
STATE OF WASHINGTON	949.55	199.05	140.59	150.07	8.41	.89	298.18
HAT ISLAND TELEPHONE COMPANY	835.86	410.50	61.08	151.24	.00	5.58	206.75
HOOD CANAL TELEPHONE CO., INC.	466.61	162.37	56.89	101.38	2.29	1.60	158.96
ILWACO TELEPHONE COMPANY	780.95	158.57	87.37	160.51	10.59	2.43	256.05
INLAND EMPIRE TELEPHONE COMPANY	793.79	219.48	85.07	175.45	5.83	1.46	264.89
INLAND TELEPHONE COMPANY	1,271.98	359.76	81.03	316.98	2.21	2.55	397.68
STATE OF WASHINGTON	1,256.31	366.74	83.58	325.79	2.31	2.05	409.64
INTER-ISLAND TELEPHONE COMPANY, INC.	533.00	205.21	86.07	108.17	15.95	1.08	209.12
ISLAND EMPIRE TELEPHONE COMPANY	804.73	116.48	70.49	187.03	11.45	1.86	267.11
KALAMA TELEPHONE COMPANY	1,036.52	418.73	111.08	273.56	3.32	.00	387.97
LEWIS RIVER TELEPHONE COMPANY, INC.	962.29	259.72	76.26	222.50	2.56	.89	300.44
LOPEZ TELEPHONE COMPANY	969.29	217.03	63.95	216.42	.09	.47	280.00
MASHELL TELEPHONE COMPANY, INC.	1,203.55	277.36	72.38	296.38	6.63	3.02	372.38
MC DANIEL TELEPHONE CO.	703.78	281.60	61.12	110.70	11.43	.47	182.77
OLYMPIC TELEPHONE COMPANY	747.90	185.28	68.09	185.95	13.14	2.45	264.73
ORTING TELEPHONE COMPANY	749.80	154.28	84.31	190.69	5.11	3.37	276.74
PACIFIC NORTHWEST BELL TELEPHONE COMPANY	801.68	154.74	129.35	158.21	20.96	2.12	306.39
STATE OF WASHINGTON	784.93	155.43	127.85	144.98	23.17	1.95	294.05
PENINSULA TEL. AND TEL. COMPANY	962.43	299.70	93.22	228.30	23.08	.04	344.56

WASHINGTON TELEPHONE COMPANIES - STATE OF WASHINGTON OPERATIONS
PLANT AND OPERATING REVENUES PER AVERAGE COMPANY TELEPHONE
1978

			AMOUNT PER AVERAGE COMPANY TELEPHONE				
TELEPHONE COMPANIES	TELEPHONE PLANT IN SERVICE (END OF YEAR)	DEPR. & AMORT. RESERVES (END OF YEAR)	LOCAL SERVICE REVENUES	TOLL SERVICE REVENUES	MISCELLANEOUS REVENUES	UNCOLLECTIBLES DEBT	TOTAL OPERATING REVENUES
PIONEER TELEPHONE COMPANY	$ 1,069.73	$ 335.67	$ 72.44	$ 203.94	$ .91	$ .00	$ 277.29
PRESCOTT TELEPHONE & TELEGRAPH COMPANY	864.85	326.27	113.21	135.00	10.35	1.24	257.33
PUGET ISLAND TELEPHONE COMPANY	608.15	216.04	88.36	117.29	.09	2.29	203.46
RAINIER TELEPHONE COMPANY	886.88	198.56	85.13	198.90	8.36	1.00	291.39
ST. JOHN CO-OPERATIVE TEL. AND TEL. CO.	1,312.29	471.15	82.81	217.67	1.02	1.95	299.55
SOUND TELEPHONE COMPANY	641.66	146.76	62.98	148.61	1.80	2.53	210.87
TENINO TELEPHONE COMPANY	1,271.88	222.90	69.62	284.03	3.83	1.73	355.76
TIMBERLAND TELEPHONE COMPANY	587.97	61.10	79.79	112.34	6.99	1.75	197.37
TOLEDO TELEPHONE CO., INC., THE	1,171.22	256.19	62.14	324.54	6.06	1.65	391.09
UNITED TELEPHONE COMPANY OF THE NW	1,016.22	218.32	95.53	226.97	9.57	3.43	328.64
STATE OF WASHINGTON	990.20	203.39	101.32	215.70	8.31	3.25	322.08
VASHON TELEPHONE COMPANY	722.92	259.10	76.58	144.96	6.36	2.87	225.02
WESTERN WAHKIAKUM COUNTY TELEPHONE CO.	1,626.05	622.30	99.46	502.23	6.27	1.26	606.69
WHIDBEY TELEPHONE COMPANY	1,164.20	453.69	103.91	168.78	13.68	2.31	284.06
YELM TELEPHONE COMPANY	919.07	278.57	74.31	194.41	3.85	.23	272.34

WASHINGTON TELEPHONE COMPANIES - STATE OF WASHINGTON OPERATIONS
OPERATING EXPENSES, OPERATING TAXES AND NET OPERATING INCOME PER AVERAGE COMPANY TELEPHONE
1978

	AMOUNT PER AVERAGE COMPANY TELEPHONE									
TELEPHONE COMPANIES	MAINTENANCE	DEPR.& AMORT.	TRAFFIC	COMMERCIAL	GENERAL OFFICE	OTHER OPER. EXP.	FED. INC. TAX - NET	OTHER OPER. TAXES	TOTAL DED. FROM REVENUES	NET OPER. INCOME
ASOTIN TELEPHONE COMPANY	$ 35.33	$ 35.83	$ 2.17	$ 18.76	$ 23.90	$ 45.73	$ 8.05	$ 13.77	$ 183.55	$ 60.52
STATE OF WASHINGTON	34.60	35.29	2.12	18.37	23.41	44.78	7.88	13.26	179.71	59.29
CASCADE AUTOVON COMPANY	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
CASCADE TELEPHONE COMPANY	39.66	38.22	1.72	15.00	10.93	10.90	45.09	21.90	183.42	66.55
COLUMBIA BASIN TELEPHONE COMPANY	57.57	57.31	1.86	14.76	13.90	18.13	61.38	27.75	252.66	84.47
CONTINENTAL TELEPHONE COMPANY OF THE NW	66.95	51.23	8.99	22.15	29.32	16.79	20.83	24.04	240.30	69.20
STATE OF WASHINGTON	70.24	55.45	8.42	21.77	29.51	18.08	13.40	24.63	241.50	75.60
COWICHE TELEPHONE COMPANY	34.59	36.39	2.10	7.08	40.15	24.36	14.49	17.02	176.19	59.64
ELLENSBURG TELEPHONE COMPANY	26.04	40.29	11.77	8.97	12.67	8.71	38.40	20.41	167.26	64.83
EVERGREEN TELEPHONE COMPANY	48.16	47.91	1.83	12.70	12.83	14.37	59.71	23.93	221.43	77.13
GENERAL TELEPHONE COMPANY OF THE NW, INC	61.77	50.94	14.92	23.51	19.40	15.39	26.21	28.18	240.31	63.58
STATE OF WASHINGTON	62.26	49.44	12.70	23.27	18.44	13.84	24.91	29.50	234.35	63.82
HAT ISLAND TELEPHONE COMPANY	6.86	29.73	21.67	.00	56.99	6.72	.00	5.11	127.08	79.67
HOOD CANAL TELEPHONE CO., INC.	21.47	21.65	.57	7.13	39.76	7.02	.97	10.03	108.61	50.35
ILWACO TELEPHONE COMPANY	35.15	40.26	1.93	14.32	11.09	10.73	48.78	19.30	181.55	74.50
INLAND EMPIRE TELEPHONE COMPANY	47.02	45.12	2.38	12.64	11.05	13.11	44.28	21.17	196.77	68.12
INLAND TELEPHONE COMPANY	73.43	51.55	1.09	19.33	133.70	27.01	7.75	34.34	348.19	49.49
STATE OF WASHINGTON	75.13	50.26	1.13	20.37	142.88	28.73	7.20	36.76	362.46	47.17
INTER-ISLAND TELEPHONE COMPANY, INC.	36.40	30.82	1.85	25.88	11.71	9.39	27.47	14.09	157.61	51.52
ISLAND EMPIRE TELEPHONE COMPANY	55.98	36.69	1.60	13.52	10.33	11.06	47.70	20.78	197.67	69.44
KALAMA TELEPHONE COMPANY	48.82	62.97	2.19	15.26	60.14	42.12	35.15	22.76	289.41	98.56
LEWIS RIVER TELEPHONE COMPANY, INC.	42.15	35.65	1.11	16.88	32.22	33.42	48.81	19.49	229.73	70.71
LOPEZ TELEPHONE COMPANY	41.98	44.99	2.04	10.55	13.14	11.61	62.53	19.93	206.78	73.22
MASHELL TELEPHONE COMPANY, INC.	37.13	65.45	3.24	22.23	63.44	56.88	18.22	29.44	296.03	76.35
MC DANIEL TELEPHONE CO.	34.76	26.79	1.55	.75	42.58	10.67	10.15	14.95	142.19	40.59
OLYMPIC TELEPHONE COMPANY	61.85	36.21	1.83	16.17	10.88	10.47	40.79	21.51	199.72	65.02
ORTING TELEPHONE COMPANY	45.61	35.02	1.83	12.21	12.43	25.75	46.20	27.60	206.65	70.08
PACIFIC NORTHWEST BELL TELEPHONE COMPANY	60.48	40.66	18.21	28.73	18.96	30.42	25.76	27.24	250.48	55.91
STATE OF WASHINGTON	56.17	39.67	16.77	27.90	17.81	29.33	24.92	27.22	239.80	54.25
PENINSULA TEL. AND TEL. COMPANY	83.06	58.32	2.16	17.89	44.21	27.62	12.01	24.94	270.21	74.35

WASHINGTON TELEPHONE COMPANIES - STATE OF WASHINGTON OPERATIONS
OPERATING EXPENSES, OPERATING TAXES AND NET OPERATING INCOME PER AVERAGE COMPANY TELEPHONE
1978

	AMOUNT PER AVERAGE COMPANY TELEPHONE									
	MAINTENANCE	DEPR.& AMORT.	TRAFFIC	COMMERCIAL	GENERAL OFFICE	OTHER OPER. EXP.	FED. INC. TAX - NET	OTHER OPER. TAXES	TOTAL DED. FROM REVENUES	NET OPER. INCOME
TELEPHONE COMPANIES										
PIONEER TELEPHONE COMPANY	$ 34.46	$ 38.50	$ 1.45	$ 1.54	$ 45.89	$ 32.34	$ 32.12	$ 25.79	$ 212.09	$ 65.20
PRESCOTT TELEPHONE & TELEGRAPH COMPANY	37.90	31.95	1.81	20.80	92.28	18.01	2.27	21.65	226.66	30.67
PUGET ISLAND TELEPHONE COMPANY	44.41	28.65	2.13	9.65	9.00	9.60	36.86	16.88	157.18	46.28
RAINIER TELEPHONE COMPANY	50.52	45.04	2.27	15.88	12.13	13.80	55.77	17.69	213.08	78.31
ST. JOHN CO-OPERATIVE TEL. AND TEL. CO.	19.39	65.71	1.35	16.23	82.83	16.19	9.23	20.63	231.56	67.99
SOUND TELEPHONE COMPANY	38.02	30.11	1.96	9.26	8.88	15.65	38.72	14.30	156.91	53.96
TENINO TELEPHONE COMPANY	36.69	46.58	1.28	12.08	74.10	25.96	22.63	27.56	246.87	108.89
TIMBERLAND TELEPHONE COMPANY	45.06	27.28	2.07	10.81	7.76	9.90	33.12	14.04	150.03	47.34
TOLEDO TELEPHONE CO., INC., THE	62.35	54.33	1.28	19.64	96.76	52.97	4.07	30.22	321.62	69.47
UNITED TELEPHONE COMPANY OF THE NW	57.61	58.12	13.52	16.77	20.82	13.06	43.99	24.14	248.03	80.61
STATE OF WASHINGTON	57.70	57.87	13.40	14.96	18.90	10.29	44.42	21.38	238.93	83.15
VASHON TELEPHONE COMPANY	34.87	39.05	1.90	12.19	10.66	9.97	43.07	18.61	170.31	54.71
WESTERN WAHKIAKUM COUNTY TELEPHONE CO.	71.84	112.56	59.85	10.07	109.38	44.64	48.77	42.02	499.14	107.55
WHIDBEY TELEPHONE COMPANY	22.84	56.91	22.46	28.79	37.13	21.95	.00	23.37	213.45	70.62
YELM TELEPHONE COMPANY	29.89	50.40	1.51	15.72	35.06	20.57	32.53	20.61	206.30	66.04

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
DERIVED STATISTICS
YEAR 1978

TELPHONE COMPANIES	NUMBER OF TIMES FIXED CHARGES EARNED YEAR 1978	RATIO OF CURRENT ASSETS TO CURRENT AND ACCRUED LIABILITIES	EOP DEBT RATIO (NET LONG-TERM DEBT TO TOTAL CAPITALIZATION %)	DEPRECIATION TO AVERAGE DEPR. TEL. PLANT IN SERVICE (%)	DEPRECIATION AND AMORT. RESERVES TO TEL. PLANT IN SERVICE (%)
ASOTIN TELEPHONE COMPANY	3.11	2.40	[illegible]	4.79	31.31
STATE OF WASHINGTON				4.93	31.56
CASCADE AUTOVON COMPANY	2.57	1.77	35.67	7.19	76.38
CASCADE TELEPHONE COMPANY	3.41	1.41	42.85	5.33	21.92
COLUMBIA BASIN TELEPHONE COMPANY	5.12	1.11	26.44	5.76	27.56
CONTINENTAL TELEPHONE COMPANY OF THE NW	2.27	.83	51.89	5.59	17.06
STATE OF WASHINGTON				5.65	15.57
COWICHE TELEPHONE COMPANY	9.13	3.65	25.68	5.29	45.76
ELLENSBURG TELEPHONE COMPANY	4.94	.38	36.67	4.88	30.98
EVERGREEN TELEPHONE COMPANY	7.54	.35	24.50	5.66	20.89
GENERAL TELEPHONE COMPANY OF THE NW, INC	2.62	.47	51.51	6.01	20.31
STATE OF WASHINGTON					20.96
HAT ISLAND TELEPHONE COMPANY	.00	1.56	.00	3.65	49.11
HOOD CANAL TELEPHONE CO., INC.	4.66	.37	23.15	5.14	34.80
ILWACO TELEPHONE COMPANY	3.75	1.07	42.74	5.43	20.31
INLAND EMPIRE TELEPHONE COMPANY	4.22	1.22	34.07	6.18	27.65
INLAND TELEPHONE COMPANY	3.08	15.71	68.91	4.60	28.28
STATE OF WASHINGTON				4.66	29.19
INTER-ISLAND TELEPHONE COMPANY, INC.	3.32	.69	44.66	6.67	38.50
ISLAND EMPIRE TELEPHONE COMPANY	4.24	.53	36.82	5.19	14.47
KALAMA TELEPHONE COMPANY	4.76	1.81	36.77	7.16	40.40
LEWIS RIVER TELEPHONE COMPANY, INC.	4.41	2.22	53.78	4.73	26.99
LOPEZ TELEPHONE COMPANY	15.55	1.17	11.22	5.04	22.39
MASHELL TELEPHONE COMPANY, INC.	2.10	3.25	68.26	6.33	23.04
MC DANIEL TELEPHONE CO.	29.69	3.67	14.82	4.50	40.01
OLYMPIC TELEPHONE COMPANY	3.37	.97	43.73	5.17	24.77
ORTING TELEPHONE COMPANY	4.05	.51	42.92	4.97	20.58
PACIFIC NORTHWEST BELL TELEPHONE COMPANY	2.98	.51	48.50	5.60	19.30
STATE OF WASHINGTON				5.57	19.80
PENINSULA TEL. AND TEL. COMPANY	2.81	.49	47.36	7.06	31.14

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
DERIVED STATISTICS
YEAR 1978

TELPHONE COMPANIES	NUMBER OF TIMES FIXED CHARGES EARNED YEAR 1978	RATIO OF CURRENT ASSETS TO CURRENT AND ACCRUED LIABILITIES	EOP DEBT RATIO (NET LONG-TERM DEBT TO TOTAL CAPITALIZATION %)	DEPRECIATION TO AVERAGE DEPR. TEL. PLANT IN SERVICE (%)	DEPRECIATION AND AMORT. RESERVES TO TEL. PLANT IN SERVICE (%)
PIONEER TELEPHONE COMPANY	6.95	3.39	53.84	4.10	31.38
PRESCOTT TELEPHONE & TELEGRAPH COMPANY	3.94	2.41	62.15	4.50	37.73
PUGET ISLAND TELEPHONE COMPANY	9.21	1.00	20.40	4.68	35.52
RAINIER TELEPHONE COMPANY	4.75	.36	29.90	5.33	22.39
ST. JOHN CO-OPERATIVE TEL. AND TEL. CO.	10.56	1.62	41.82	5.70	35.90
SOUND TELEPHONE COMPANY	6.14	.35	22.09	4.97	22.87
TENINO TELEPHONE COMPANY	4.73	1.81	56.61	4.82	17.53
TIMBERLAND TELEPHONE COMPANY	5.85	.24	24.95	5.24	10.39
TOLEDO TELEPHONE CO., INC., THE	3.78	.54	74.98	5.65	21.87
UNITED TELEPHONE COMPANY OF THE NW STATE OF WASHINGTON	2.96	.51	46.41	6.42	21.48
				6.32	20.54
VASHON TELEPHONE COMPANY	5.45	.68	26.58	5.02	35.84
WESTERN WAHKIAKUM COUNTY TELEPHONE CO.	4.55	2.55	66.35	7.29	38.27
WHIDBEY TELEPHONE COMPANY	5.93	.70	62.86	5.12	38.97
YELM TELEPHONE COMPANY	3.52	1.36	59.56	6.84	30.31

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
DERIVED STATISTICS (CONTINUED)
YEAR 1978

TELEPHONE COMPANIES	PERCENT OF TOTAL OPERATING REVENUES AFTER UNCOLLECTIBLES				% TOR AFTER UNCOLLECTIBLES	
	LOCAL SERVICE REVENUES	TOLL SERVICE REVENUES	MISCELLANEOUS REVENUES	UNCOLLECTIBLES	TOTAL DEDUCTIONS FROM REVENUES	TELEPHONE PLANT IN SERVICE
ASOTIN TELEPHONE COMPANY	48.59 %	47.59 %	4.30 %	.48 %	75.20 %	376.13 %
STATE OF WASHINGTON	48.59	47.59	4.30	.48	75.19	375.49
CASCADE AUTOVON COMPANY	97.71	.00	2.29	.00	81.21	423.05
CASCADE TELEPHONE COMPANY	32.96	63.50	4.63	1.09	73.38	304.74
COLUMBIA BASIN TELEPHONE COMPANY	26.17	71.54	2.90	.61	74.94	311.92
CONTINENTAL TELEPHONE COMPANY OF THE NW	36.26	61.46	2.93	.65	77.64	315.02
STATE OF WASHINGTON	35.49	62.61	2.57	.68	76.16	330.32
COWICHE TELEPHONE COMPANY	32.48	64.23	3.99	.70	74.71	343.18
ELLENSBURG TELEPHONE COMPANY	45.57	52.71	2.21	.49	72.07	387.94
EVERGREEN TELEPHONE COMPANY	24.40	74.22	2.30	.91	74.17	302.23
GENERAL TELEPHONE COMPANY OF THE NW, INC	43.82	53.77	2.68	.27	79.08	311.52
STATE OF WASHINGTON	47.15	50.33	2.82	.30	78.60	318.45
HAT ISLAND TELEPHONE COMPANY	29.54	73.15	.00	2.70	61.47	404.29
HOOD CANAL TELEPHONE CO., INC.	35.79	63.78	1.44	1.01	68.32	293.54
ILWACO TELEPHONE COMPANY	34.12	62.69	4.14	.95	70.90	305.01
INLAND EMPIRE TELEPHONE COMPANY	32.12	66.23	2.20	.55	74.28	299.67
INLAND TELEPHONE COMPANY	20.38	79.71	.55	.64	87.56	319.85
STATE OF WASHINGTON	20.40	79.53	.56	.50	88.48	306.69
INTER-ISLAND TELEPHONE COMPANY, INC.	41.16	51.73	7.63	.51	75.37	254.87
ISLAND EMPIRE TELEPHONE COMPANY	26.39	70.02	4.29	.70	74.00	301.28
KALAMA TELEPHONE COMPANY	28.63	70.51	.86	.00	74.60	267.17
LEWIS RIVER TELEPHONE COMPANY, INC.	25.38	74.06	.85	.30	76.46	320.29
LOPEZ TELEPHONE COMPANY	22.84	77.29	.03	.17	73.85	346.18
MASHELL TELEPHONE COMPANY, INC.	19.44	79.59	1.78	.81	79.50	323.20
MC DANIEL TELEPHONE CO.	33.44	60.57	6.25	.26	77.79	385.05
OLYMPIC TELEPHONE COMPANY	25.72	70.24	4.96	.93	75.44	282.51
ORTING TELEPHONE COMPANY	30.47	68.91	1.85	1.22	74.68	270.95
PACIFIC NORTHWEST BELL TELEPHONE COMPANY	42.22	51.64	6.84	.69	81.75	261.65
STATE OF WASHINGTON	43.48	49.30	7.88	.66	81.55	266.94
PENINSULA TEL. AND TEL. COMPANY	27.05	66.26	6.70	.01	78.42	279.32

WASHINGTON TELEPHONE COMPANIES - TOTAL COMPANY
DERIVED STATISTICS (CONTINUED)
YEAR 1978

TELEPHONE COMPANIES	PERCENT OF TOTAL OPERATING REVENUES AFTER UNCOLLECTIBLES				% TOR AFTER UNCOLLECTIBLES	
	LOCAL SERVICE REVENUES	TOLL SERVICE REVENUES	MISCELLANEOUS REVENUES	UNCOLLECTIBLES	TOTAL DEDUCTIONS FROM REVENUES	TELEPHONE PLANT IN SERVICE
PIONEER TELEPHONE COMPANY	26.12 %	73.55 %	.33 %	.00 %	76.49 %	385.78 %
PRESCOTT TELEPHONE & TELEGRAPH COMPANY	44.00	52.46	4.02	.48	88.08	336.09
PUGET ISLAND TELEPHONE COMPANY	43.43	57.65	.05	1.13	77.25	298.91
RAINIER TELEPHONE COMPANY	29.22	68.26	2.87	.34	73.13	304.36
ST. JOHN CO-OPERATIVE TEL. AND TEL. CO.	27.64	72.67	.34	.65	77.30	438.09
SOUND TELEPHONE COMPANY	29.87	70.48	.85	1.20	74.41	304.30
TENINO TELEPHONE COMPANY	19.57	79.84	1.08	.49	69.39	357.51
TIMBERLAND TELEPHONE COMPANY	40.42	56.92	3.54	.89	76.01	297.90
TOLEDO TELEPHONE CO., INC., THE	15.89	82.98	1.55	.42	82.24	299.47
UNITED TELEPHONE COMPANY OF THE NW	29.07	69.06	2.91	1.04	75.47	309.22
STATE OF WASHINGTON	31.46	66.97	2.58	1.01	74.18	307.44
VASHON TELEPHONE COMPANY	34.03	64.42	2.82	1.27	75.69	321.27
WESTERN WAHKIAKUM COUNTY TELEPHONE CO.	16.39	82.78	1.03	.21	82.27	268.02
WHIDBEY TELEPHONE COMPANY	36.58	59.42	4.81	.81	75.14	409.84
YELM TELEPHONE COMPANY	27.29	71.39	1.41	.08	75.75	337.47